

# **REQUEST FOR PROPOSALS**

## **GLOBAL CUSTODY SERVICES FOR THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY**



**RFP Issue Date:** Tuesday August 15, 2023

**Questions Due:** Tuesday, August 29, 2023  
by 3:00 pm prevailing Eastern Time

**Proposals Due:** Monday, September 18, 2023  
by 3:00 pm prevailing Eastern Time

Ed Donnelly  
Chairman  
Police and Firemen's Retirement System of New Jersey

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## **1.0 INFORMATION FOR BIDDERS**

### **1.1 Purpose and Intent**

This Request for Proposal (“RFP”) is issued by the Board of Trustees (the “Board”) of the Police and Firemen’s Retirement System of New Jersey (“PFRSNJ”) on behalf of the PFRSNJ, a Qualified Governmental Defined Benefit Plan under Internal Revenue Code §401(a) and §414(d), (the “Plan”), existing in the State of New Jersey Department of the Treasury (“Treasury”).

The purpose of this RFP is to solicit proposals from qualified Bidders to provide global custody services for the PFRSNJ, as more fully described in Section 3.0, Scope of Services. The PFRSNJ is seeking a cost-effective custodial bank to assist with safekeeping and accounting for the fund’s assets, settling securities transactions, receiving dividends and interest, providing foreign exchange services, paying fund expenses, reporting failed trades, reporting cash transactions, monitoring corporate actions at portfolio companies, and tracing loaned securities.

The intent of this RFP is to award a contract to a qualified Bidder whose proposal, conforming to this RFP, has successfully demonstrated the qualifications, expertise, and resources to effectively perform the services described herein, and who is most advantageous to the Plan, price and other factors considered. Bidders interested in being selected to provide global custody services for the Plan should submit materials in accordance with this RFP.

Bidders should note that while this RFP is being issued, and submissions in response to this RFP will be reviewed and evaluated, by the PFRSNJ, the Treasurer will ultimately enter into an agreement awarded under this RFP. The Treasurer has the authority under New Jersey Law to enter into agreements with one or more banks that the Treasurer may select to act as custodian for funds, securities, or other assets of the State. The Treasurer has elected to delegate to the PFRSNJ the responsibility of conducting the procurement process for the selection of a custodial bank for the safekeeping of assets under the PFRSNJ’s management, consistent with fiduciary responsibilities.

### **1.2 Background**

The Police and Firemen’s Retirement System was established pursuant to P.L. 1944, c. 255, and the assets of that retirement system were governed by the Division of Investment in the Department of the Treasury (“DOI”) together with the State Investment Council (“SIC”). In 2018, the retirement system was re-established, pursuant to P.L. 2018, c. 55, as the PFRSNJ and the Board was reconstituted, pursuant to N.J.S.A. 43:16A-14, as fiduciary to the “the various funds and accounts established by the Act.” The various funds and accounts of the PFRSNJ are hereinafter referred to as “PFRSNJ Assets or Plan Assets.” Pursuant to N.J.S.A. 43:16A-13a.(19), only a single asset known as Common Pension Fund L of the total PFRSNJ Assets shall remain with the DOI. All other PFRSNJ Assets shall be governed by the Board, including but not limited to the establishment of policies and practices for the investment, reinvestment, purchase, sale, or exchange of the Plan Assets.

The PFRSNJ, in collaboration with DOI, is in the process of implementing the transfer of custody and management of Plan Assets, as contemplated N.J.S.A. 43:16A-13a.(19). In preparation for the transfer, the PFRSNJ has adopted various investment guidelines and polices (available on the PFRSNJ website under “Investments” tab). Additionally, new investment regulations, adopted by the PFRSNJ from time to time, are filed with the Office of Administrative Law and published in the New Jersey Register for public comment prior to adoption.

### *Initial Asset Transfer*

The transfer of custody will occur in increments; the first transfer (“Initial Asset Transfer”) is expected to occur on April 1, 2024. The Initial Asset Transfer will be approximately US \$21 billion, which currently consists of public investments (primarily in domestic/global equity, fixed income, and certain derivative securities). In preparation for the Initial Asset Transfer, the Board has adopted an asset allocation for the PFRSNJ Assets, which is subject to change prior to the Initial Asset Transfer.

### *Asset Allocation Following Initial Transfer*

The table below (also available on the PFRSNJ website) represents the asset allocation currently adopted by the PFRSNJ.

Asset Allocation		Policy Benchmark	
U.S. Large Cap Equity	24%	Russel 1000 Index Excluding Prohibited and Exclusionary Investments	24%
U.S. Small / Mid Cap Equity	4%	Russell 2500 Index Excluding Prohibited and Exclusionary Investments	4%
Non-U.S. Developed Equity	19.5%	MSCI EAFE Index Excluding Prohibited and Exclusionary Investments	19.5%
Non-U.S. Developed Small-Cap Equity	2%	MSCI EAFE Small-Cap Index Excluding Prohibited and Exclusionary Investments	2%
Emerging Markets Equity	6%	MSCI Emerging Markets Index Excluding Prohibited and Exclusionary Investments	6%
Emerging Markets Small-Cap Equity	1.5%	MSCI Emerging Markets Small-Cap Index Excluding Prohibited and Exclusionary Investments	1.5%
Private Equity	10%	Cambridge Associates Global Private Equity Index Quarter Lag	10%
U.S. Treasury	7%	Bloomberg Barclays U.S. Treasury Index	7%
U.S. Corporate Bond	5%	Bloomberg Barclays U.S. Corporate Credit Index Excluding Prohibited and Exclusionary Investments	5%
U.S. Treasury	10%	Bloomberg Barclays U.S. Treasury Index	10%
		Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index	3%
PFRS Mortgage	5%	Bloomberg Barclays U.S. Mortgage Back Security Index -125 bps	5%
Global Multisector Fixed Income	6%	Bloomberg Barclays U.S. Aggregate Index Excluding Prohibited and Exclusionary Investments	6%
Private Debt	8%	Credit Suisse Leveraged Loan Index +100 bps	8%
Real Estate	7%	43% NCREIF ODCE (Capitalization Weighted) Index / 57% NCREIF Property Index Quarter Lag	7%
Infrastructure	3%	Core CPI + 300 bps	3%
Cash	2%	Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index	2%

### *Securities Lending – See Section 3.0 for more information*

The PFRSNJ will also participate in a securities lending program for eligible fixed income and equity securities in the PFRSNJ Plan Fund. The PFRSNJ has three objectives in managing the collateral portfolio: (i) to protect the principal; (ii) to provide the Plan with incremental income and investment of cash collateral in a risk-controlled separate account with a yield exceeding the rebate rate paid to borrowers; and (iii) to obtain the highest yield possible within the parameters of the PFRSNJ investment guidelines. The securities lending program is governed by N.J.A.C. 17:4A-4.1 to -4.4.

### 1.3 Minimum Technical Qualifications of the Bidder

Bidders must meet the following minimum technical qualifications:

- A. At least \$10 billion in total market capitalization as of December 31, 2022.
- B. At least \$5 trillion in total assets under custody as of December 31, 2022.
- C. At least \$500 billion in total tax-exempt assets under trust/custody as of December 31, 2022.
- D. Minimum of fifteen (15) U.S. public fund master custody clients as of December 31, 2022.
- E. Minimum of fifteen (15) years of experience in providing global custody services (cross border safekeeping and asset servicing) to institutional tax-exempt investors as of December 31, 2022.
- F. Minimum of fifteen (15) years of experience in providing alternative investment support (private markets) services to institutional tax-exempt investors as of December 31, 2022.
- G. Minimum of fifteen (15) years of experience in providing performance measurement and risk analytics services to institutional tax-exempt investors as of December 31, 2022.
- H. Minimum of \$500 billion in securities lending lendable assets for each calendar year over the last five (5) years ending December 31, 2022.
- I. Primary client service representative assigned to the account must have a minimum of ten (10) years of experience in the institutional custody field working with public pension plans and at least three (3) years of employment at the responding firm as of December 31, 2022.

### 1.4 Key Events

#### 1.4.1 Inquiries, Addenda to the RFP

If a Bidder has questions or requires clarification, please forward the request via email to:

[Courtney.Snedeker@PFRS.NJ.GOV](mailto:Courtney.Snedeker@PFRS.NJ.GOV)

The subject line of the email should read, “**PFRSNJ Global Custody Services 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
- Questions regarding the State’s Standard Terms & Conditions and/or exceptions to mandatory requirements should contain any proposed changes.

If the PFRSNJ determines that any answers to the inquiries received should be provided to all potential Bidders, the answers will be posted on the PFRSNJ website at [www.PFRS.NJ.gov](http://www.PFRS.NJ.gov). Addenda to this RFP, if any, will be posted on the PFRSNJ website. It is the Bidder’s responsibility to check the PFRSNJ website for any updates.

#### 1.4.2 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 your proposal according to the terms of this RFP, see Section 5.1 Proposal Submission.

If a Bidder requests, prior to the deadline, that the 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 postponement is in the Plan's best interest, the Executive Director may designate a revised deadline. Notice of any postponement will be posted on the PFRSNJ website.

## **1.5 Public Disclosure of Proposal**

All received proposals will remain unopened until the deadline for proposal submission. After the deadline, only the names and addresses of the Bidders submitting proposals may be made public. The contents of the proposals shall not be available for public inspection until the Notice of Intent to Award is issued by the Board on the PFRSNJ website. After the Notice of Intent to Award is issued, each proposal and, if applicable, documentation relating to any negotiations, will be available for public inspection in accordance with governing law.

The Bidder's proposal and all information submitted by Bidders in response to this RFP may be released to the public upon request after award of a contract 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, notwithstanding any disclaimers to the contrary submitted by a Bidder, except as may be exempted from public disclosure by OPRA and the common law of New Jersey.

A Bidder may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA (see N.J.S.A. 47:1A-1.1) or the common law, when the Bidder has a good faith legal and factual basis for such assertion. The location in the proposal of any such designation should be clearly stated in a cover letter. The PFRSNJ reserves the right to make the determination as to what is exempt from disclosure and will advise the Bidder accordingly. **The PFRSNJ will not honor any attempt by a Bidder to designate its entire proposal or the prices offered as exempt from disclosure.** In the event of any challenge to the Bidder's assertion of confidentiality with which the PFRSNJ does not concur, the Bidder may elect to defend its assertion in a timely manner at its own expense.

## **2.0 DEFINITIONS**

**Addenda** – Written clarification or revision to this RFP issued by the PFRSNJ.

**Amendment** – A change in the scope of services to be performed by the contractor. An amendment is not effective until it is signed by the Treasurer.

**Bidder** – An individual or business entity submitting a proposal in response to this RFP.

**Board** – the Board of Trustees of the Police and Firemen's Retirement System of New Jersey.

**Custodian** – The Bidder awarded a contract resulting from this RFP.

**Executive Director** – Executive Director, the Police and Firemen's Retirement System of New Jersey.

**Mandate** – A course of action based on a policy decision.

**MWBE** – Minority/Woman-Owned Business Enterprise.



**PFRSNJ or the Plan** – the retirement system established under P.L. 2018, c. 55, existing in the State of New Jersey Department of the Treasury as a Qualified Governmental Defined Benefit Plan under Internal Revenue Code §401(a) and §414(d), for the purpose of providing retirement allowances and other benefits for policemen and firemen.

**PFRSNJ Contract Manager** – The PFRSNJ employee responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Services, as set forth in Section 3.0.

**Request for Proposal (RFP)** – This document which establishes the bidding and contract requirements and solicits proposals to meet the custodial service needs of the PFRSNJ.

**Selection Committee** – A committee established by the Executive Director to evaluate proposals submitted in response to this RFP and to make a written recommendation to award the contract to a qualified Bidder whose proposal, conforming to this RFP, has successfully demonstrated the qualifications, expertise, and resources to effectively perform the services described herein, and who is most advantageous to the Plan, price and other factors considered.

**Shall or Must** – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a proposal as materially non-responsive.

**Should or Must** – Denotes that which is recommended, not mandatory.

**Standard Terms & Conditions** – State of New Jersey Standard Terms and Conditions (Rev. 6/21/2023) which are available in **Attachment A (A3)**.

**State** – State of New Jersey.

**Subcontractor** – An entity having an arrangement with a State contractor, whereby the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all the contractor's obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

**Treasurer** – the Treasurer of the State of New Jersey.

**Treasury** – the New Jersey Department of the Treasury.

### **3.0 SCOPE OF SERVICES**

The PFRSNJ expects the Custodian to provide the Plan with comprehensive global custody services associated with a complex, multi-asset class, multi-billion dollar pension investment fund client. In general, the Custodian will be responsible for the foundational services of safekeeping, transaction processing, asset servicing, disbursement of funds, and the reporting of all assets and activities of the Plan consistent with statutory requirements and generally accepted accounting principles. The PFRSNJ requires daily valuation, performance measurement and analytics, foreign exchange where required, trade processing and settlements (contractual settlement), compliance monitoring, proxy voting notification support, class action processing support and corporate actions, derivatives processing, proactive investment manager reconciliation, and alternative investment support. The Custodian will be a critical business partner to the PFRSNJ in the active tracking of all investments of the Plan.

The Custodian will act as a trusted partner to the PFRSNJ, providing resources and a stewardship perspective to assist the Board and staff with solutions that follow all applicable regulatory requirements and reflect the highest level of ethical standards. The Custodian is expected to be proactive in communicating and resolving identified issues and be committed to documenting service standards and business requirements. Accordingly, the Custodian will be expected to dedicate professionals to this engagement, who will be ultimately responsible and held accountable for the PFRSNJ relationship. The client service team must be adept at dealing with the complexity of the Plan, all within a well-diversified investment structure comprised of multiple asset classes both traditional and non-traditional. The client service team must be familiar with an open architecture model across passive and active mandates, both public and private markets, including derivatives and synthetic instruments and transactions. The Custodian must be able to adapt to the changing needs of the PFRSNJ and develop institutional service solutions to mitigate operational risks.

The Custodian will establish a business requirements documentation (BRD) or service level agreement (SLA) with the PFRSNJ for the administrative and operational governance of the relationship. The Custodian will distinguish itself with regard to client service and will create a deep bench in support of the PFRSNJ.

The basic responsibility of the Custodian will be as a steward of the assets entrusted to the Board. The Custodian will be required to have proper safeguards in place to protect the possession of all physical securities, the integrity of electronic holdings, and the confidentiality of the information for whatever asset class and wherever the investments are made. The Custodian must be able to handle all security types (including derivatives and synthetic instruments) for all asset classes, public and private markets, both domestic and cross-boarder. The PFRSNJ has extensive non-US market investments (developed, intermediate, and emerging). The Custodian must have sub-custodian relationships and access to eligible depositories to service all of the Plan's international and emerging markets investments. Knowledge of qualified institutional investor support, tax treaties, withholding laws, and tax reclamation procedures are essential and the PFRSNJ will require the Custodian bank to facilitate the setup of accounts in new markets and assistance with ongoing maintenance of existing accounts. The Custodian must have a thorough knowledge of relevant securities and tax laws in each country, as well as the ability to recover assets when such necessity may arise.

In addition to proven capabilities in support of public markets, the PFRSNJ expects an equally proficient capability with investments in private markets (equities, credit, real assets, etc.) to help with administration support and proper accounting of such assets and activities, including lag and non-lag valuation. The Custodian is expected to receive statements and notices from limited partnerships ("LPs") to record market values and cash flows for accounting and performance measurement purposes. The ability to handle capital calls and distributions, unfunded commitment reconciliation/monitoring, and document management will be evaluated.

The Custodian will be required to perform all of the accounting necessary to administer the assets of the Plan and produce standard monthly accounting reports for all individual asset classes in addition to consolidated reports and plan-level investments. The account structure of the Plan is contemplated to be predominantly in separate accounts, commingled funds, and LPs. In light of this structure and the multi-manager configuration, the PFRSNJ is particularly interested in custodian capabilities to support collecting information and providing financial reports, which can be used to satisfy GASB reports and included in the Annual Comprehensive Financial Report (ACFR). Accordingly, familiarity with GASB 28, 40, 53, 67, and 72 reports is required. The Custodian will be expected to assist the PFRSNJ in year-end preparation of annual reports and assist the PFRSNJ auditors in the completion of the annual financial statement audit.

The Custodian will provide services pertaining to performance measurement and analytics for the PFRSNJ. Please note that the PFRSNJ prefers performance calculations that are reconciled to accounting books to ensure reports are using the same data set. The PFRSNJ will require performance measurement services such as return calculations and requisite portfolio characteristics, statistics, and benchmark support. The PFRSNJ will also review the Custodian's advanced performance and risk analytics, to calculate certain universe comparisons, attribution, and risks required in the active monitoring of portfolio managers and investments. PFRSNJ staff will review the efficacy of the available compliance monitoring tool for additional oversight of separate accounts, and commingled funds look through. Additionally, the PFRSNJ will review available private market tools for added evaluation and monitoring.

#### *Securities Lending Services*

The PFRSNJ intends to participate in securities lending through an exclusive arrangement with the Custodian bank, which is contemplated to be structured within a risk-controlled program. The Custodian bank will oversee the cash collateral reinvestment management using a risk-averse program with a focus on safety and preservation of capital. The PFRSNJ requires an indemnified program specific to counterparty/borrower default. Other forms of indemnity for utmost client protection and beneficial to the PFRSNJ will be given careful consideration. It is imperative that the lending agent is familiar and able to support a program similar to the safe harbor provisions of the Department of Labor PTE 2006-16 at a minimum around eligible collateral and collateralization levels, approved eligible borrowers, and general conduct around client protections.

Although there is no current securities lending program to date, the contemplated program would have the following summarized characteristics. The lending agent shall negotiate loan of securities with a focus on intrinsic value lending, using the approved borrowers (eligible brokers/dealers) of the lending agent. Eligible borrowers will be required to deliver acceptable collateral to secure each loan in an amount that is at least equal to 102 percent domestic/105 percent non-U.S. of the fair value of the securities loaned. In the event of default by any borrowers, the lending agent shall indemnify the PFRSNJ by purchasing replacement securities equal to the number of unreturned loaned securities, to the extent that such replacement securities are available on the open market and if to the extent that such proceeds are insufficient or the collateral is unavailable, the purchase of replacement securities shall be made at lending agent's expense or, if replacement securities are not able to be purchased, the lending agent shall credit the Plan for the market value of the unreturned securities. In each case, the lending agent would be required to apply the proceeds from the collateral for such a loan to make the Plan whole. Loans shall be collateralized as either cash or non-cash, in an amount equal to 102 percent to 105 percent of the fair value of the loan. Cash collateral shall be at a minimum able to support SEC 2a-7 Government/Treasury Money Market Guidelines. The lending agent shall be familiar with operating, at a minimum, using cash or collateral issued or guaranteed by the U.S. Government Securities (Treasuries and Agencies) based on the safe harbor provisions under ERISA.

The PFRSNJ understands that as a global banking entity a Bidder is required to meet and exceed the disaster recovery and business continuity requirements of the Federal Reserve and other regulators. Given that the Custodian is intertwined in the daily processes of the PFRSNJ, a robust disaster recovery and business continuity plan is imperative. The PFRSNJ requires compliance with SSAE-18, updates on regular penetration audit, data transfer and delivery mechanism, data retention and destruction process, KPI support, encryption, and vendor relationship and management processes. The PFRSNJ expects the Custodian to meet all capital ratios and balance sheet financial health requirements as stipulated and promulgated by the Federal Reserve stress testing regime and Basel III, including liquidity ratios, total loss absorption capacity, and prudential standards by the Financial Stability Board.



### **5.3 Documents Required With the Proposal**

The Following items must be submitted with the proposal.

#### **5.3.1 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.

#### **5.3.2 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**.

#### **5.3.3 Proposal Submission Certifications**

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

#### **5.3.4 Certification Accepting the Standard Terms & Conditions, or Certification Acknowledging Receipt of Standard Terms & Conditions Together With Bidder's Proposed Changes**

The Standard Terms & Conditions and the two related Certifications can be found in **Attachment A3**. The Bidder must submit a Certification Accepting the Standard Terms & Conditions. If a Bidder is unable to accept the Standard Terms & Conditions, then the Bidder must submit the Certification Acknowledging Receipt of the Standard Terms & Conditions, together with the Bidder's proposed changes to the Standard Terms and Conditions. The Certification and (if applicable) the proposed changes must be submitted with the proposal. See also, Modifications to the Standard Terms & Conditions in Section 6. 14 of this RFP.

### **5.4 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 below.

#### **5.4.1 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](#).

#### **5.4.2 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 non-responsive.

The Source Disclosure Form can be found in [Attachment A5](#).

#### **5.4.3 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](#).

#### **5.4.4 Non-Involvement in Prohibited Activities in Russia or Belarus**

Pursuant to N.J.S.A. 52:32-60.1 (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 U.S. Department of the Treasury's, Office of Foreign Assets Control's *Consolidated Sanctions List*. If the Certification is not submitted with the proposal, then the Bidder must submit the Certification within seven (7) business days of the PFRSNJ's request. A Bidder's failure to submit the Certification will preclude the award of a contract to the Bidder.

#### **5.4.5 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 A7**

#### **5.4.6 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. 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.

#### **5.4.7 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. Bidders not in possession of either document must follow the instructions for submitting a complete Affirmative Action Employee Information Report (Form AA302) available at:

[https://www.state.nj.us/treasury/contract\\_compliance/index.shtml](https://www.state.nj.us/treasury/contract_compliance/index.shtml).

#### **5.4.8 State of New Jersey Security Due Diligence Questionnaire**

Bidders are required to submit a completed State of New Jersey Security Due Diligence Third-Party Information Security Questionnaire. If a completed State of New Jersey Security Due Diligence Questionnaire is not submitted with the proposal, then the Bidder must submit the completed Questionnaire within seven (7) business days of the PFRSNJ's request or the PFRSNJ may deem the proposal non-responsive. The State of New Jersey Security Due Diligence Third-Party Information Security Questionnaire is available at the link below:

[https://www.nj.gov/treasury/administration/pdf/biddingopps/PERSElect/State-of-New-Jersey-Third-Party-Information-Security-Questionnaire\\_NDA.pdf](https://www.nj.gov/treasury/administration/pdf/biddingopps/PERSElect/State-of-New-Jersey-Third-Party-Information-Security-Questionnaire_NDA.pdf)

### **6.0 TERMS AND CONDITIONS**

The State of New Jersey Standard Terms and Conditions (Rev. 6/21/2023) ("Standard Terms & Conditions"), as modified in Section 6.14, 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 A (A3)**.

Unless specifically stated within this RFP, the Modifications and Changes to the Standard Terms & Conditions (as contained in Section 6.14 of this RFP) take precedence over the Standard Terms & Conditions accompanying this RFP.

## **6.1 Contract Term and Extension Option**

The contract for Custodial will be for five (5) years. There will be a provision to extend the term for three (3) additional one-year periods beyond the initial term upon mutual agreement of the parties.

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.

The Treasurer in consultation with the PFRSNJ may terminate the contract for cause pursuant to the Standard Terms & Conditions. Failure to comply with a material contract requirement shall constitute a "for cause" event. In the event of a "for cause" termination, the Custodian shall not be entitled to any payment of fees for services provided after the date of the action that forms the basis for such termination.

## **6.2 Contract Transition**

In the event that a new contract has not been awarded prior to the contract expiration date it shall be incumbent upon the Custodian to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this required transition period extend more than one (1) year beyond the expiration date of this contract.

## **6.3 Amendment**

Any changes or modifications to the contract shall be valid only when they have been reduced to writing and signed by the Custodian and the Treasurer in consultation with the PFRSNJ.

## **6.4 Custodian Responsibilities**

The Custodian shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the Custodian. The Custodian shall have sole responsibility for all payments due to any subcontractor.

The Custodian is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services, or commodities required to be provided under the contract. The Custodian shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the Custodian of responsibility for the technical adequacy of its work. The review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights that the Treasurer, the PFRSNJ, or the State may have arising out of the Custodian's performance of this contract.

## **6.5 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 Treasury or the PFRSNJ respectively and shall be delivered to Treasury or the PFRSNJ upon thirty (30) days' notice to the Custodian.



## **6.7 Data Confidentiality**

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

The Custodian shall assume total financial liability incurred by the State (including the PFRSNJ and Treasury) associated with any breach of confidentiality.

## **6.8 Security Standards**

The Custodian 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 Custodian 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 Custodian 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 Custodian shall only transmit or exchange PFRSNJ and/or Treasury data with other parties when expressly requested in writing and permitted by and in accordance with requirements of the PFRSNJ and Treasury. The Custodian shall only transmit or exchange data with the PFRSNJ and Treasury 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 and/or Treasury-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 Custodian. Neither PFRSNJ nor Treasury-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 Custodian 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 Custodian's security obligations or other event requiring notification under applicable law ("Notification Event"), the Custodian 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 and Treasury) its officials, and employees from and against any claims, damages, or other harm related to such Notification of Event.

## **6.9 News Releases**

The Custodian 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 in consultation with the Treasurer.

## **6.10 Advertising**

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

## **6.11 Licenses and Permits**

The Custodian shall obtain and maintain in full force and affect all required licenses, permits, and authorizations necessary to perform the services under this RFP. The Custodian 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.

## **6.12 Claims and Remedies**

All claims asserted against the State (including the PFRSNJ and Treasury) by the Custodian 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 and Treasury) 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 Treasurer.

In the event the Custodian fails to comply with any material contract requirements, the Treasurer in consultation with the Executive Director 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 Custodian's price either being deducted from any monies due to the defaulting Custodian or being an obligation owed the State by the defaulting Custodian as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

## **6.13 Additional Work**

The Custodian shall not perform additional work without first obtaining written approval from both the PFRSNJ Contract Manager and the Executive Director in consultation with the Treasurer. In the event of additional work and/or special projects, the Custodian 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 Custodian in its proposal.

The Custodian'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 Custodian's written proposal, the PFRSNJ Contract Manager shall forward it to the Executive Director for the Executive Director's consideration in consultation with the Treasurer. Approval of the Custodian's written proposal shall be in writing.

No additional work may commence without the Executive Director's written approval. In the event the Custodian proceeds with additional work without the Executive Director's written approval, it shall be at the Custodian's sole risk. The PFRSNJ shall be under no obligation to pay for work performed without the Executive Director's written approval.

#### **6.14 Modifications to the Standard Terms & 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 or with the Bidder's quote/proposal submission. 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, 9<sup>th</sup> floor. Trenton, New Jersey 08625." and (ii) amending the email address for certificates and notices of cancellation to read: [Compliance@pfrs.nj.gov](mailto: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 Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$5,000,000 and 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. 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.

**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."

## **7.0 PROPOSAL EVALUATION**

### **7.1 Right to Waive**

Subject to the Treasurer's authority to award or reject a contract pursuant to this RFP, 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.

### **7.2 Right to Reject or Award In Part**

Subject to the Treasurer's authority to award or reject a contract pursuant to this RFP, 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 State to do so. Notice of such a rejection shall be posted on the PFRSNJ website.

### **7.3 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 Treasurer, 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.

### **7.4 Selection Committee**

Proposals shall be evaluated by a Selection Committee consisting of at least two Board members and at least two PFRSNJ staff members. The Executive Director may also recommend technical advisors with expertise to assist the Selection Committee.

### **7.5 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 Selection Committee concerning its proposal. The Selection 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.

## **7.6 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 Selection Committee.

Proposals may be eliminated for failing to meet the Minimum Technical Qualifications listed in Section 1.3 above.

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:

- Company Profile, Experience and Client Base
- Client Service Team and Structure
- Operations, Financials and Risk Issues
- Systems, Technology, & Security
- Custody and Asset Servicing
- Accounting and Reporting
- Asset Class Capabilities and Alternative Asset Support
- Cash Management and Money Movement Control
- Performance Measurement, Analytics and Compliance Monitoring
- Managing Transition and Conversion Process
- Securities Lending
- Fees and Costs

## **7.7 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 of 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

may only clarify and may not modify or amend its price. The Executive Director shall determine whether any intended clarification is a modification or amendment.

### **7.8 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 non-responsive 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.

### **7.9 Proposal Recommendation**

After evaluation of proposals and, as applicable, negotiation(s) and/or BAFO(s), the Selection Committee will recommend to the Board, the responsible Bidder(s) whose proposal(s), conforming to the RFP, is/are most advantageous to the State, price and other factors considered. The Selection Committee also shall prepare a report containing its recommendation. The Board may accept, reject or modify the recommendation of the Selection Committee. The Board may initiate additional negotiation or BAFO procedures with the selected 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 Selection Committee Report, and the Award Recommendation will remain confidential.

Following the Board's acceptance, rejection, or modification of the Selection Committee's recommendation, the Executive Director shall submit the Board's conclusions along with the Selection Committee's report and any other relevant materials, to the Treasurer. The recommendations of the Selection Committee and the Board are advisory in nature and are not binding upon the Treasurer.

## **8.0 CONTRACT AWARD**

### **8.1 Award or Rejection of Proposals**

The Treasurer shall review the Selection Committee's report, the recommendations of the Board, and any other relevant materials. The Treasurer may refer the matter back to the PFRSNJ for further consideration. The Treasurer has the discretion to enter into an agreement with any Bidder meeting the requirements on the terms and for the compensation that the Treasurer deems appropriate, or to reject all proposals when the Treasury determines it is appropriate to do so.

### **8.2 Notice of Intent to Award; Protests**

The Executive Director shall post a Notice of Intent to Award on the PFRSNJ website. In the event that the Treasurer 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 Treasurer shall not award the contract in question until a final decision is rendered on the merits of the protest, unless the Treasurer finds that the failure to award the contract will result in substantial cost to the State or that public exigency so requires. In such event, the PFRSNJ shall notify all interested parties.

Protests must be submitted to 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. Notice of Intent to Award contract(s) to another Bidder as part of the same procurement.

A protest shall contain the following:

- i. Identification of the particular procurement;
- ii. The specific grounds for challenging the rejection of its proposal or the scheduled contract award, as applicable, 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 also shall notify the Treasurer that a protest has been submitted.

The Executive Director, in consultation with the Chairman of the Board, will determine if an in-person presentation to the Board, by the protestor, is necessary for the Board to make an informed decision. In-person presentations are fact-finding for the benefit of the Board, and the Board has discretion, pursuant to

N.J.S.A. 10:4-12(b)(5), to limit attendance at an in-person presentation to those parties likely to be affected by the outcome of the protest.

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 shall 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.

## **9.0 CONTRACT MANAGER**

The PFRSNJ Contract Manager is the PFRSNJ employee responsible for the overall management and administration of the contract, including directing the Custodian to perform the work of the contract and resolving minor disputes between the Custodian and the PFRSNJ.

The PFRSNJ Contract Manager for the contract will be identified when the contract is awarded. At that time, the Custodian will be provided with the PFRSNJ Contract Manager's name, address, telephone number, and e-mail address. The PFRSNJ Contract Manager is the person that the Custodian will contact after the contract is executed for answers to any questions and concerns about any aspect of the contract.



ATTACHMENT A  
RFP FOR CUSTODIAL SERVICES FOR THE  
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

# ATTACHMENT A1



## OWNERSHIP DISCLOSURE FORM

STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY  
 POLICE AND FIREMENS RETIREMENT SYSTEM OF NEW JERSEY  
 50 WEST STATE STREET, P.O. BOX 297 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.**

- |  |            |           |
|--|------------|-----------|
|  | <b>YES</b> | <b>NO</b> |
|--|------------|-----------|
1. The vendor is a **Non-Profit Entity**; and therefore, no disclosure is necessary.
  2. 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.
  3. 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:\*

- (a) the names and addresses of all stockholders in the corporation who own 10% or more of its stock, of any class;
- (b) all individual partners in the partnership who own a 10% or greater interest therein; or,
- (c) 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 _____

- |  |            |           |
|--|------------|-----------|
|  | <b>YES</b> | <b>NO</b> |
|--|------------|-----------|
4. 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:\*

- (a) the names and addresses of all stockholders in the corporation who own 10% or more of its stock, of any class;
- (b) all individual partners in the partnership who own a 10% or greater interest therein; or,
- (c) 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 _____

5. 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.\*

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\* 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 Global Custodial Services,

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 Standard Terms & 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 June 21, 2023)

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/](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 of 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 (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 Department of the Treasury's List of Persons or Entities Engaging in Prohibited Activities in Russia or Belarus. If the Contractor is unable to so certify, the Contractor shall provide a detailed and precise description of such activities. A Contractor's failure to submit a certification will preclude the award or renewal of a Contract to said Contractor.

## **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](mailto: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](http://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](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.

**State of New Jersey Standard Terms and Conditions**  
(Revised June 21, 2023)

**I HEREBY ACCEPT THE TERMS AND CONDITIONS OF THIS CONTRACT**

---

Signature

---

Date

---

Print Name and Title

---

Print Name of Contractor



**State of New Jersey Standard Terms and Conditions**  
(Revised June 21, 2023)

I HEREBY ACKNOWLEDGE RECEIPT OF THE STATE'S STANDARD TERMS AND CONDITIONS AND PROPOSE THE FOLLOWING CHANGES: (USE ADDITIONAL SHEET IS NECESSARY)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print name of Bidder

# ATTACHMENT A4



# DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING THE VENDOR FORM

STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY - POLICE AND FIREMENS RETIREMENT SYSTEM OF NEW JERSEY  
50 WEST STATE STREET, P.O. BOX 297 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: \_\_\_\_\_

VENDOR NAME: \_\_\_\_\_

### PART 1

PLEASE LIST ALL OFFICERS/DIRECTORS OF THE VENDOR BELOW.

NAME	_____
TITLE	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
TITLE	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
TITLE	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

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.

- 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 (or political subdivision thereof), or by any other state or the U.S. Government?
- Has any person or entity listed on this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any government agency from bidding or contracting to provide services, labor, materials or supplies?
- Are there currently any pending criminal matters or debarment proceedings in which the firm and/or its officers and/or managers are involved?
- Has any person or entity listed on this form or its attachments been denied any license, permit or similar authorization required to engage in the work applied for herein, or has any such license, permit or similar authorization been revoked by any agency of federal, state or local government?
- Has any person or entity listed on this form or its attachments been involved as an adverse party to a public sector client in any civil litigation or administrative proceeding in the past five (5) years?

**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. The description must include the nature and status of the investigation, and for any litigation, the caption and a brief description of the action, the date of inception, current status, and if applicable, the disposition.

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, 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 A5



**SOURCE DISCLOSURE FORM**

STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY  
 POLICE AND FIREMENS RETIREMENT SYSTEM OF NEW JERSEY  
 50 WEST STATE STREET, P.O. BOX 297 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 Police and Firemens Retirement System of New Jersey, 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 Executive Director of the Police and Firemens Retirement System of New Jersey will review this justification and if deemed sufficient, the Executive Director may seek the Board of Trustees' 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 Executive Director of the Police and Firemens Retirement System of New Jersey. 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 Executive Director, the Contractor shall be deemed in breach of Contract, and the Contract will be subject to termination for cause pursuant to the Standard Terms and Conditions of the Police and Firemens Retirement System of New Jersey.

**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





## MACBRIDE PRINCIPLES FORM

STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY  
POLICE AND FIREMENS RETIREMENT SYSTEM OF NEW JERSEY  
50 WEST STATE STREET, P.O. BOX 297 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: \_\_\_\_\_

VENDOR NAME: \_\_\_\_\_

Pursuant to New Jersey law, Vendor/Bidder is required to provide a certification in compliance with the MacBride Principles and Northern Ireland Act of 1989. Vendor/Bidder must complete the certification below by checking one of the two options listed below and signing where indicated. If the Executive 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, do hereby certify

### 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 B  
RFP FOR CUSTODIAL SERVICES FOR THE  
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Scope of Services Questionnaire

The **Scope of Services** listed below represents the best practices for custody services and functions required by PFRSNJ and the best practices for comparable funds that require custody services. Please state if your firm can provide the services listed below by checking the boxes for each applicable item. If for any reason a service is not available, please explain.

**A. Safekeeping of U.S. and non-U.S. Assets:**

- The Custodian acts as the central depository and nominee holder of the assets of PFRSNJ domestically and internationally and as the transaction-clearing agent for those assets.
- The Custodian is responsible for the safekeeping of PFRSNJ's securities (physically or electronically) in a location and manner satisfactory to PFRSNJ, with adequate controls and an adequate disaster preparedness plan.
- The Custodian is on-line with domestic depositories (e.g., DTC/PTC, Federal Reserve Book Entry System) and basic international depositories (e.g., Euroclear, Clearstream).
- The Custodian has electronic connectivity with additional significant international depositories.
- The Custodian performs regular reconciliations (at least monthly) with investment managers or provides information electronically to investment managers for reconciliation to ensure records are consistent.
- The Custodian ensures securities in omnibus accounts are attributed correctly to client accounts.
- The Custodian has a dedicated staff for foreign tax withholding.
- The Custodian ensures that accounts are grouped by tax treaty and claims for all clients are processed at the same time.
- The Custodian monitors outstanding foreign tax withholding claims, collects foreign tax reclaims in those countries where PFRSNJ has investments (including filing of foreign tax reclaim forms), follows-up on a pro-active basis of delinquent reclaims, and offers "relief or at source" withholdings in all permissible countries.
- The Custodian is responsible for the timely notification of all corporate actions and activities including but not limited to tender offers, called bonds, class action suits, proxy statements and solicitations, proxy cards and annual reports. Also, upon request of PFRSNJ, the Custodian is responsible for the timely certification of beneficial ownership and supporting documentation for the purposes of annual shareholder meeting attendance.
- The Custodian has services and support systems necessary for the timely exercise of corporate actions and proxy voting by PFRSNJ, or its investment managers, as directed.
- The Custodian offers income accrual in markets where sufficient depository controls and market infrastructure promotes efficient collection. The Custodian clearly identifies the markets in which it offers contractual income accrual.
- The Custodian identifies and collects on a timely basis all receipts/income that become due and payable on PFRSNJ's assets and makes timely payment of receipts/income with the income recognized in all developed markets (e.g., MSCI EAFE countries) and many emerging markets on a contractual basis.
- The Custodian has a staff dedicated to income collection.
- The Custodian clearly identifies the circumstances under which it will rescind contractual income collections.
- The Custodian's securities monitoring and control system is fully integrated with its core accounting system, any subcustodians, and any depositories.
- The Custodian retains in-house expertise to maintain and upgrade the custody tracking and accounting system.
- The Custodian has significant control over the core custody and accounting systems, product development, and maintenance.

**B. Settlement Process**

- The Custodian identifies those markets in which it performs contractual settlement.
- The Custodian provides contractual settlement in those markets with sufficient depository controls and where market infrastructure promotes efficient settlement.
- The Custodian maintains clear procedures for contractual settlement. The Custodian identifies the circumstances under which contractual settlement will be suspended.
- The Custodian has specific remedies for each level where a trade fails.
- The Custodian has well-defined methods for monitoring and managing failed trades.

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- The Custodian recognizes securities settlement in all developed markets (e.g., MSCI EAFE countries) and many emerging markets on a contractual basis.
  - The Custodian acts as the primary contact for all of PFRSNJ's investment managers for the resolution of trade discrepancies and is responsible for ensuring that trades are affirmed by the appropriate manager.
  - The Custodian can handle derivatives and other instruments, including collateral management and margin accounts.
  - The Custodian notifies PFRSNJ in a timely manner of failed trades. The Custodian does not insist that the investment manager is solely responsible for monitoring failed trades.
  - The Custodian maintains and utilizes an independent control function reviewing failed trades over a certain threshold.
  - The Custodian provides an automated exchange of daily investment data between the Custodian and PFRSNJ. Specifically, securities transaction clearing and settlement information is available to PFRSNJ on-line, including all necessary notification and coordination with PFRSNJ's investment and accounting staff, outside investment managers, and PFRSNJ's partners that provide services other than custodial services.
- C. Accounting and Reporting**
- The Custodian's custody securities movement and control system and accounting systems are integrated and compatible.
  - The Custodian has sufficient personnel and resources dedicated to technology.
  - If the Custodian's securities tracking and control system was purchased from an outside vendor, the Custodian retains in-house expertise to maintain and upgrade the system.
  - The Custodian has plans for systems enhancements to increase the functionality and capacity of the Custodian's systems.
  - The Custodian backs up data daily.
  - The Custodian's disaster recovery plan includes off-site back up of data and systems on a different power grid, and the Custodian tests the plan regularly.
  - The Custodian's disaster recovery plan has comprehensive coverage over the areas affecting custody clients.
  - If the Custodian purchased or leased a core accounting system from an outside vendor, the Custodian retains in-house expertise to maintain and upgrade the system. In-house expertise is particularly important if the system has been customized.
  - The Custodian has the source code for those systems that were purchased from an outside vendor. If the Custodian does not have the source code, the Custodian has had the source code placed in an escrow account to which it will have access if there is a problem with the vendor.
  - The Custodian uses an accounting system that is an integrated full accrual, trade date based, multi-currency general ledger accounting and reporting platform.
  - The Custodian's systems are based on trade date and are designed for trade date accounting.
  - The Custodian can accommodate multi-currency accounting (base and local currencies).
  - The Custodian can generate tax lot accounting and reporting, including tracking of principal and income, realized and unrealized gains and losses.
  - The Custodian has the capability to support partnership and sub-fund accounting requirements.
  - The Custodian can do unitized accounting, with a proven record of existing accounts that utilizes unitized accounting.
  - The Custodian can perform dollar/plan accounting, with a proven record of existing accounts that require dollar/plan accounting.
  - The Custodian's accounting systems can handle a significant number of subledger and plan accounts.
  - Entries to the Custodian's accounting and securities tracking and control systems are automated.
  - The Custodian's system captures OTC securities and structured derivatives, including the ability to provide independent valuations.
  - The Custodian's system captures most security types for tracking and processing.
  - The Custodian's trade date accounting and reporting system is appropriate to support PFRSNJ's portfolio.
  - The Custodian-maintained accounting and custody data are on-line, real-time mode, with the capability to request ad hoc, standard, and customized system generated reports.

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- The Custodian's standard monthly audited report package includes a statement of assets and transactions, accrued income at month end, failed trade report, pending trade report, cash and cash equivalents sorted by fund. The monthly audited statements are available on-line no later than 7 business days after month-end. Unaudited statements are available online on the first business day after month-end.
- The Custodian can provide an annual audited report package online within 7 business days after year-end. Unaudited statements are available on-line on the first business day after year-end.
- The Custodian can provide audited consolidated or fund accounting statements for PFRSNJ on a monthly basis. The accounting statements are available online no later than 7 business days after month-end.
- The Custodian makes reports available on a settlement and trade date basis.
- The Custodian can support and generate reports specific to GASB requirements, including support of year end reports (i.e., GASB 28, 40, 53, 72, etc.).
- The Custodian provides reporting for all securities as follows:
  - a) Cash transactions, by security, at manager and asset class/fund level for each day's cash transactions.
  - b) Five business day forecasts of cash transactions by security at the manager and fund level for each day of the forecast and a separate fund level report by security for each business day of the forecast. These daily cash reports are to be available by 7:00 a.m. ET daily.
  - c) For bond accounts, both cash receipt and cash forecast reports should list the principal, interest, and total amount to be received for each security. Bond reports should be subtotaled by security type. These daily cash reports are to be received by 7:00 a.m. ET daily.
  - d) Monthly reports for domestic equity and fixed income securities must include all trade, income, and corporate action activity as well as all standard holdings information used for domestic equity and fixed income securities at both the manager and the fund level.
  - e) Monthly reports shall provide a summary of failed trades.
  - f) Monthly broker commission report. Detailed summary report of all broker commission activity during the fiscal year. Consolidated monthly statements into annual report.
  - g) A weekly report of month-to-date corporate actions by security for each manager's account should be provided on the first business day of each week.
  - h) Monthly analysis of all transactions occurring during that month at both the manager and the fund level, stating month-end market and cost values, and all income, contributions, disbursements, transfers, and month-end accrued earnings adjustments sorted by account.
- The Custodian provides the following additional reporting for international investments:
  - a) Daily trade activity reports by manager are available.
  - b) Monthly reports, which contain trade activity detail, income, and corporate action events in both base and local currency amounts, are available for global manager accounts. Detailed holding reports grouped by currency, indicating the number of shares, cost, and market value of equity holdings are in both base and local currency, as well as accounting for futures for currency hedging.
  - c) Monthly reports should provide a detailed summary of failed trades and tax reclaims.
  - d) Cash journals by currency for each manager which detail all cash transactions are available with the monthly report package for each manager.
- The Custodian provides the following additional reporting for alternative investments:
  - a) The Custodian must maintain and report daily to PFRSNJ all information related to cash received and disbursed or distributions of securities by account.
  - b) Monthly reporting of all types of transactions is necessary for securities in this asset group.
- The Custodian will provide class-action information for securities that PFRSNJ owned in the relevant time periods, including notice of filing and settlement information as required by PFRSNJ and its designated representatives.
- The Custodian will provide services and support systems necessary for the timely receipt, review, and monitoring of corporate actions and proxy voting according to specifications by PFRSNJ, its designated representatives, and investment managers.
- The Custodian will provide daily pricing for all publicly traded securities on a non-audited basis and end-of-month audited pricing for all securities, including private placements and non-publicly traded securities.
- The Custodian undertakes automated confirmation of stale pricing and has the appropriate methodology for fair

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market value pricing for illiquid securities and holdings.

- The Custodian has the ability to provide a proper valuation for real estate, private credit, private debt, and private equity holdings using, at a minimum, a quarter lag cashflow adjusted roll forward valuation methodology.
- The Custodian has the ability to provide “shadow accounting” of real estate, private credit, private debt, and private equity asset classes if the client subscribes to full alternative investment support services.
- The Custodian has the ability to support clients with absolute return, hedged funds, and related mandates in LP structures, direct and/or managed account platforms.
- The Custodian participates and cooperates with scheduled audits and inventory of securities conducted by independent audit firms designated by PFRSNJ.
- The Custodian maintains on-line accounting data on a prior-day basis and standard monthly accounting production reports.
- The Custodian processes on a daily basis all cash and non-cash (e.g., corporate actions) accounting transactions affecting assets held in custody.

**D. Accurate and Timely Pricing**

- The Custodian uses independent pricing sources.
- The Custodian provides daily pricing.
- The Custodian has a rigorous, independent methodology to price illiquid and highly structured securities.
- For liquid securities, the Custodian checks prices against additional pricing sources.
- The Custodian uses automatic price feeds.
- The Custodian flags price differences that exceed a custody-established threshold of variance agreed to and approved by PFRSNJ and/or investment manager.
- The Custodian has an established methodology for working out price differences with investment managers.
- The Custodian has access to independent sources that are used as the final price for problem securities. The Custodian does not have to rely on the investment manager for independent prices.
- The Custodian has a mechanism for notifying clients of problematic price differentials.
- The Custodian has an up-front check on the quality of pricing data coming in from vendors.
- The Custodian has a methodology for assessing whether asset identifiers are consistent between the Custodian's accounts and the vendor's price feed.
- The Custodian maintains control mechanisms for manual overrides on pricing illiquid or highly structured securities.
- The Custodian has an appropriate level of review of pricing problems.
- The Custodian works actively with pricing vendors to resolve pricing problems.

**E. Risk Analysis System and Internal Controls**

- The Custodian runs an automated exception process.
- The Custodian performs front-end audits to verify the integrity of trade data.
- The Custodian has specific guidelines for dealing with exceptions and problems at each level.
- The Custodian has a specific sign-off process for exceptions.
- The Custodian has specific materiality standards for re-processing client activity.
- The Custodian has a process for reconciling and following up with investment managers.
- The Custodian has completed an SSAE 18 (SOC 1) analysis prepared by an independent third party auditor at least once a year.

**F. Secure Web Enabled Online (Internet) Accessibility**

- The Custodian has, at minimum, a fully functional Internet-based online access system for reporting to clients and investment managers.
- The Custodian's online reports allow the client to establish regular automatic report run schedules.
- The Custodian has standard reports available online.
- The Custodian has a browser-based online portal that provides access to accounting data, security level information, corporate actions, income collection, cash movement and custody data.
- Clients can communicate with their client service team via the Custodian's online system.
- The Custodian's online system allows users to download data into standard desktop spreadsheet applications.
- The Custodian's online system allows clients to see pending trades, cash management information, general account statements, specific asset holdings, performance, and portfolio analysis.

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- The Custodian's online systems allow flexible report formatting.
- A significant number of clients use the Custodian's online systems.
- A significant number of investment managers use the Custodian's online systems.
- The Custodian has online help available for a significant part of the day.
- The client can retrieve intra-period data easily from the Custodian's online system.
- The Custodian's daily reports include information from the prior business day.
- The Custodian offers comprehensive client training.
- The Custodian's online systems support can accommodate current and anticipated service needs, including but not limited to:
  - a) Multi-terminal online or Internet access to the Custodian's securities movement and control and accounting systems.
  - b) Online access 6:00 a.m. to 10:00 p.m. ET Monday through Friday.
  - c) Ability to create ad hoc reports on sales, purchases, income, holdings at manager level, multiple managers, and total fund level. Ability to provide these reports by alpha sort, industry sort, CUSIP sort, and ticker sort.
  - d) Access to at least 18 months of historical accounting reports and custody transactions on-line.
  - e) Daily actual and traded cash positions (online real-time).
  - f) Multi-level database security controls.
  - g) On-line trade entry.
  - h) The ability to provide formatted data to PFRSNJ and external sources designated by PFRSNJ (e.g., to consultant, third-party performance measurement vendor, third party proxy vendor, third party class action monitoring vendor, Bloomberg, etc.) for whatever frequency required (daily, weekly, monthly, etc.).

#### **G. Cash Management (Sweep of Idle Cash)**

- The Custodian's global cash management function has regional centralization.
- Clients can choose among global cash management options that will earn interest for PFRSNJ.
- The Custodian has a clear schedule of charges for overdraft problems.
- The Custodian offers overnight cash sweeps, including overnight multi-currency cash sweeps.
- The Custodian has cash management vehicles available for each investment risk tolerance.
- The Custodian fees are disclosed and are competitive.
- The Custodian will work with third-party cash managers.
- The Custodian allows clients to maintain separate accounts versus investing short term funds through a pool of assets.
- Client contributions are available for investment on the same day.
- The Custodian can accommodate a one day notification prior to cash disbursements.
- The Custodian can work with third parties (investment managers, transfer agents or participants) to facilitate collections and withdrawals in a daily environment.
- The Custodian has a clear float management policy.
- The Custodian ensures that accounts are compensated for all uncredited income.
- The Custodian's cash management services and cash movement operations can facilitate the daily investment of all available cash in domestic and international accounts.

#### **H. Foreign Exchange**

- The Custodian has a disclosure policy that delineates all types of foreign currency transactions (i.e., income repatriation, standing instructions, settlement FX, funding FX such as Global Capital Calls, netting, etc.).
- The Custodian will not limit PFRSNJ and investment managers from transacting foreign currency with other dealers or desks other than that of the Custodian.
- The Custodian shall provide a report on all FX executed through their own foreign currency desk on behalf of PFRSNJ or as directed by the investment managers.
- The Custodian will disclose at what price the custodian valued the foreign currency trade with the relevant benchmark - this may include the WM Fixing Rate, the Hi-Lo of the day, and other metrics where appropriate.
- The Custodian automatically flags off-market transactions (off-market is considered to be 10% or greater variance).
- The Custodian ensures that an independent compliance monitoring group reviews all off-market transactions and indicates the reasons for the price.

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- The Custodian discloses to clients any conflicts of interest.
- The Custodian ensures that an independent compliance group reviews failed foreign exchange transactions.
- The Custodian has a desk of foreign exchange traders that can execute transactions in the inter-bank market, including 24-hour access to foreign exchange markets.
- The Custodian can execute a significant number of foreign exchange trades directly in the market as required by country regulations or restrictions (i.e., restricted currencies).

**I. Safekeeping for Derivatives**

- The Custodian has relationships with exchanges on which exchange traded derivatives transactions are executed and processed.
- The Custodian has defined procedures and processes for OTC derivatives and is able to provide independent valuation and monitoring when needed.
- For non-dollar bonds or foreign debt securities, depositories are used by the Custodian. However, the Custodian must have a relationship with a local sub-custodian when depositories are not available.
- For Bank Loans, the Custodian has the requisite capabilities to track, safekeep, process, and settle, and value such instruments using both internal and external vendor capabilities.
- The Custodian must be able to properly record and monitor securities movements for proper accounting of derivatives and non-dollar assets.

**J. Performance Measurements/Analytics**

- The Custodian has a dedicated performance measurement client service team.
- The Custodian's performance measurement system is fully integrated and compatible with the Custodian's core custody and accounting systems.
- The Custodian has significant control over performance systems product development and maintenance.
- The Custodian can generate both gross and net returns calculations.
- Performance analytics and attribution is available either holdings or securities based.
- The Custodian's performance and analytics information is accessible online. Standardized reports and customized analytics will be available.
- The Custodian makes final performance reports available by the 10<sup>th</sup> business day after books are closed.
- The Custodian's performance measurement reports are "user-friendly".
- The Custodian provides a wide array of domestic and global indexes for benchmarking and building customized benchmarks for PFRSNJ to generate performance and analytical reports and to support performance attribution.
- The Custodian reconciles performance and holdings with investment managers.
- The Custodian provides unaudited flash performance reports monthly.
- The Custodian provides audited performance reports monthly.
- The Custodian calculates performance in compliance with GIPS methodology or standards.
- The Custodian can calculate IRRs (dollar weighted) and equity multiples for real estate, private equity, and other related investments.
- The Custodian can calculate performance returns at the security and manager level and various intervening roll-ups including at the consolidated fund level. This capability will also be available on-line as part of the analytics package.
- The Custodian provides customization options for performance reports.
- The Custodian provides third-party access to performance data on-line.
- The Custodian provides a universe comparison service at the asset class and fund level utilizing TUCS and/or relevant universes.
- The Custodian provides performance attribution analysis at the asset class, country, industry, and security level for all global public securities.
- The Custodian generates portfolio characteristics for equity (i.e., price to book, earnings, etc.) and fixed income (convexity, duration, etc.) securities.
- The Custodian provides fund and plan attribution.
- The Custodian can provide a full array of risk adjusted performance statistics (such as Sharpe Ratio, Information Ratio, Treynor Ratio, Jensen's Alpha, Downside Risk Measures, standard deviation, etc.).

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- The Custodian offers traditional style and/or beta exposure analysis.
- The Custodian provides GIPS compliant monthly, quarterly, and annual performance measurements according to industry standards for all portfolios. PFRSNJ specifically requires rates of return for each investment manager mandate. Monthly performance measurement services are required for all investment accounts, including the maintenance of historical returns, annualized and cumulative, of each investment manager mandate. PFRSNJ will need access to benchmark and index comparisons, including customized/ blended benchmark reporting, and monthly/quarterly portfolio characteristics/analytcs.
- The Custodian provides drill-down or look through analysis of commingled funds.
- The Custodian provides tracking and analytics for non-traditional assets (i.e., private equity, hedge funds, absolute return strategies, derivatives, overlay, etc.).
- The Custodian provides Value at Risk (VaR) and scenario/event analysis of consolidated portfolio and individual asset class portfolios (i.e., equities, fixed income, etc.).
- The Custodian provides a robust monitoring and reporting tool for non-traditional assets (i.e., private equity, hedge funds, absolute return strategies, real estate, etc.)

**K. Compliance Monitoring**

- The Custodian provides compliance monitoring and reporting for individual portfolios as well as the various consolidations.
- The Custodian provides post-trade pre-settlement compliance reporting on a daily basis.
- The Custodian provides compliance reporting through its on-line reporting product.
- The Custodian's compliance reporting product includes screening by CUSIP, sector, country, quality, and maturity.
- The Custodian provides compliance reporting at the portfolio manager level for domestic and global separate accounts.
- The Custodian provides the ability to notify clients of breaches of investment guidelines or compliance violations in an automated email to the Plan.

**L. Corporate Governance and Securities Litigation Support**

- The Custodian should be able to support active monitoring of proxy notification, voting and corporate governance policies of PFRSNJ.
- The Custodian must be able to block a specified number of shares of any holdings or securities to affect a proxy vote or class action filing.
- The Custodian has a client-accessible system for monitoring class action litigation and bankruptcy proceedings affecting portfolio securities held by client.
- The Custodian has a system of filing claim notices and other documents in connection with such proceedings.
- The Custodian has a system to track the history of portfolio securities held during any periods that are the subject of such proceedings.
- The Custodian has a system to advise client and client's investment managers of significant dates and deadlines in respect of such proceedings, including but not limited to opt-out elections in class action litigation, deadlines for filing claims, deadlines for filing bankruptcy notices or claims.

**M. Client Service**

- The Custodian shall assign a day-to-day administrator to act as one point of contact for PFRSNJ and supported by a seasoned team.
- The Custodian shall assemble a coordinated client service team that has the requisite experience, tenure, and knowledge in the delivery of the main functions that PFRSNJ contracts with the Custodian.
- The Custodian shall maintain a Client Procedures Manual Handbook/Business Requirements Document for PFRSNJ which can be made available upon request.
- The Custodian shall provide an education and training seminar at least once a year to ensure that PFRSNJ is aware of new industry initiatives relative to custody, trade processing and related best practices.
- The Custodian shall furnish PFRSNJ with information regarding new industry initiatives, regulatory updates, and best practice via electronic delivery of newsletters, publications, etc.
- The Custodian shall develop a service level expectation with PFRSNJ. Expectations are to include at least the following:
  - a) The client service team should be able to support PFRSNJ work hours from 8:00 a.m. to 6:00 p.m. Eastern



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Standard Time.

- b) Process flow analysis and documentation of PFRSNJ operational functionality and inventory check of requirements during the on-boarding and/or conversion period.
- c) Respond to telephone inquiries and emails within 3 hours.
- d) For issues with a longer time to resolution, provide estimated time to resolve and weekly status reports for all outstanding issues.
- e) Provide escalation chart (personnel, back-up, and deadlines) for problem and error resolution tracking purposes.
- f) Define delivery deadlines for monthly audited reports.

**N. Securities Lending**

Scope of services for securities lending conducted on an agency basis, and best practices for comparable plans and funds that require such services.

- 1. Program
  - Lending Agent shall conduct securities lending on an agency basis to generate incremental return within a risk-controlled program.
  - Lending Agent shall accept that PFRSNJ reserves the right to suspend and discontinue securities lending at any time for any reason.
  - Lending Agent shall manage the securities lending program with a focus on intrinsic value lending and identify opportunities within the agreed upon parameters set by PFRSNJ.
  - Lending Agent shall be familiar in managing a securities lending program similar to the current program structure such
  - Lending Agent shall provide at a minimum a indemnified program for borrower counterparty default and any available risk indemnification available from the lending agent and appropriate for the protection of PFRSNJ.
  - Lending Agent shall be familiar with ERISA DOL PTE 2006-16 as a safe harbor guide to the general conduct of the program desired by PFRSNJ.
  - Lending Agent shall maintain all economic benefits of ownership on all loaned securities except for proxy voting.
  - Lending Agent shall recall securities for whatever reason as directed by PFRSNJ and/or the plan’s investment managers.
- 2. Loans
  - Lending Agent shall lend securities to eligible borrowers held in separate accounts (lending accounts) and shall meet certain requirements.
  - Deliver securities against receipt of acceptable collateral at proper collateralization levels both initial and maintenance margin.
  - All loans shall be made on a fully disclosed basis.
  - Suspend lending activity in one or more markets if Lending Agent determines that lending in those markets is prohibited, ambiguous to regulation around securities lending and beneficial owner’s interest, impractical, and/or uneconomical.
  - Ensure fair and reasonable allocation of lending opportunities (using proper lending algorithm in the allocation of opportunities and consistent with FFIEC or DoL ERISA requirements) taking into account demand for and availability of securities, collateral, eligibility of borrowers, tax treatment, liquidity and commercial factors.
  - Provide loans that are terminable on demand.
  - Terminate loan of securities as soon as practicable after receipt of notice or instruction to terminate.
- 3. Borrowers
  - Lending Agent shall lend securities to approved borrowers based on their eligibility and financial strength and condition.
  - Approved Borrowers List may allow for U.S. and Non-U.S. borrowers as long as they are approved to operate and consistent with PFRSNJ acceptable borrower parameters.
  - Verify if borrower is in compliance with its obligations under the applicable securities borrowing agreement.
  - Lending Agent shall possess comprehensive counterparty credit risk assessment capabilities, including a centralized review process that is separate and distinct from the lending business line/function.
- 4. Collateral and Mark to Market
  - Lending Agent shall receive and hold all collateral received from the borrower on or before release of securities subject to lending.
  - Verify that the collateral is acceptable as per PFRSNJ program parameters.
  - A loan may be collateralized by more than one type of collateral as long as compliant with PFRSNJ program parameters.
  - Collateral shall be credited to a Collateral Account that shall be separate from the Lending Agent’s proprietary

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- assets.
- Substitution of collateral shall be credited to a Collateral Account that shall be separate from the Lending Agent's proprietary assets.
  - Lending Agent shall perform mark to market of all loans (both at initiation and loan maintenance margins) based on applicable and agreed collateral requirement.
  - Require that the initial collateral for a loan is determined by applying the applicable collateral requirement to the market value of the security that is the subject of the loan.
  - Market value of the collateral shall be calculated each business day.
  - If the market value of the collateral is less than the collateral requirement, Lending Agent shall demand the delivery of additional collateral from the borrower.
  - Excess collateral may be returned to the borrower upon demand.
  - Collateral procedures may be modified based on general market conditions, the market value of securities on loan to a given borrower, and in accordance with general market practice and regulatory requirements; provided however, any such modification may not, without the PFRSNJ' approval, reduce the minimum collateral requirement or add to the agreed types of eligible collateral.
5. Distributions
- Lending Agent shall monitor information publicly available in the applicable market about forthcoming income payments, actions, and distributions (cash or non-cash) for securities on loan to ensure all economic benefits of ownership are retained by PFRSNJ.
  - Credit appropriate lending account on the anticipated payment date with the amount of all dividends, interest payments, and other cash distributions.
  - Any non-cash distribution, which is in the nature of a stock split or a stock dividend, shall either be added to the existing loan to which that distribution relates as of the date that non-cash distribution is payable or be delivered by the borrower to the Lending Agent and the Lending Agent shall credit that non-cash distribution to the applicable lending account.
  - Any non-cash distribution that is in the nature of warrants or rights to purchase shares made with respect to any securities on loan shall be deemed to be a new loan made to the borrower (and shall be considered to constitute securities on loan) as of the date that non-cash distribution is payable.
  - If the borrower fails to deliver the non-cash distribution on such date, Lending Agent shall credit such non-cash distribution to the applicable lending account or credit the lending account an amount equivalent to the market value of such non-cash distribution as of the close of business on the day prior to the credit date.
6. Reporting
- Lending Agent shall furnish a monthly report detailing the activities within the program, utilization, loans outstanding, collateralization levels, counterparty exposure, revenue (rebates, fees, and income whether positive or negative), and other performance and risk metrics available for full transparency into the conduct of lending program.
  - Lending Agent shall provide comprehensive reporting on lending performance, including the ability to identify and report on lending functions (utilization, collateralization, counterparty exposure, earnings, spreads, and spread decomposition) and access to risk monitoring and risk management tools on a daily and periodic basis.
  - Lending Agent shall provide a monthly report that itemizes by lending account the revenue earned and the share split to PFRSNJ and to the Lending Agent; such report should be provided at least one (1) business day prior to the wire date to PFRSNJ.
  - Lending Agent shall have an online web portal to view of the PFRSNJ securities lending program to determine loans outstanding, borrowers, collateralization, revenue earned, and other related reports for full transparency.
  - Lending Agent shall allow PFRSNJ' auditors and independent auditors reasonable access to the records of the Lending Agent relating to loans and collateral of PFRSNJ that may be required in connection with their examination of books and records for financial reporting and audit purposes.
  - Lending Agent shall present annually on the status of the program, updates, market trends, industry dynamics, risks and opportunities, and potential program enhancements for risk and revenue management.

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**CUSTODY TECHNICAL REQUIREMENTS AND QUESTIONS**

**A. Minimum Technical Qualifications**

- 1) Describe specifically how your firm and its personnel meet the Minimum Technical Qualifications as listed in Section 1.3 of this RFP.

**B. Use of Third-Party Products, Subcontractors?**

- 1) Please describe which products you are proposing to meet our requirements.
  - a. Are any products covered provided by a third party? If so, what third party and what is your bidder's relationship with the firm?
- 2) Does your organization subcontract any of the services required by PFRSNJ? Kindly state contract vendor name and for which service functions or deliverables.

**C. Company Background, Profile and Experience**

- 1) Provide a brief description of your firm's history.
- 2) Is your firm a parent, subsidiary, or affiliate of another firm? Provide full disclosure of all direct and indirect ownership relationships.
- 3) 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.
- 4) State your firm's lines of business. Where does custody of tax-exempt assets (i.e., public funds, endowments, foundations, Taft-Hartley, ERISA, etc.) fit within the organization as a service or product offering?
- 5) Include an organization chart of your custodial services business unit, as well as an organization chart showing the position of the unit within the firm's overall management structure. Describe the firm's overall management structure, and how the custodial services business unit fits within it.
- 6) Describe the firm's background in providing custodial services and provide the year of inception of custody services.
- 7) What is the approximate revenue contribution of your Institutional Trust and Custody Business to overall company revenue in dollars and percentage terms?
- 8) What makes your firm a leader in the delivery of custodial services with qualified institutional investors?
- 9) List the office location (primary and secondary) from which the work is to be delivered for the PFRSNJ relationship.
- 10) Please detail why the solution your firm is proposing best fits our needs.
- 11) Is your firm considered an MWBE business? If yes, please describe the factors that qualify you as an MWBE business.
- 12) Include a description of the participation of women, minorities, and/or LGBTQ+ persons in your firm.
- 13) Please provide information on your organizational profile as indicated in the following table as of December 31, 2022.

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Firm Profile	Custody Provider
<b>Total Assets under Custody and Administration (\$US as of December 31, 2022)</b>	
<b>Revenue Contribution of Trust/Custody and Asset Servicing to overall Firm Revenue (as of December 31, 2022)</b> <ul style="list-style-type: none"> <li>• Dollar Terms (US\$)</li> <li>• Percentage Terms</li> </ul>	
<b>Total Tax-Exempt Clients under Custody (as of December 31, 2022)</b> <ul style="list-style-type: none"> <li>• Total Market Value (\$US):</li> <li>• Number of Clients:</li> </ul>	
<b>Total Public Fund Tax-Exempt Clients under Custody (as of December 31, 2022)</b> <ul style="list-style-type: none"> <li>• Total Market Value (US\$):</li> <li>• Number of Clients:</li> <li>• Percent Public Funds relative to Total Tax-Exempt Assets Under Custody:</li> </ul>	
<b>Total Public Fund Tax-Exempt Clients under Custody with Over \$10 billion in Assets (as of December 31, 2022)</b> <ul style="list-style-type: none"> <li>• Total Market Value (US\$):</li> <li>• Number of Clients:</li> </ul>	
<b>Global Head of Asset Servicing/Custody Services/ Investor Services</b> <ul style="list-style-type: none"> <li>• Name:</li> <li>• Title:</li> <li>• Tenure with Bank:</li> <li>• Tenure at Current Position:</li> </ul>	
<b>Number of Personnel dedicated to Custody, Asset Servicing and Support (as of December 31, 2022)</b> <ul style="list-style-type: none"> <li>• Total Employee Count (Company Wide):</li> <li>• Total Number of Employees (Custody and Asset Servicing Only):</li> <li>• Total Number of Employees dedicated to <b>Performance Measurement, Risk Analytics, and Compliance Monitoring</b> (for <i>asset owner plan sponsors</i> only):</li> <li>• Total Number of Employees dedicated to <b>Alternative Investment Support</b> (Private Markets, Hedge Funds, Absolute Return, and other Non-Traditional Asset Classes Only):</li> <li>• Total Number of Employees dedicated to internal <b>Legal Counsel, or ERISA counsel</b> for Qualified Institutional Tax-exempt Clients:</li> <li>• Total Number of Employees dedicated to <b>Securities Lending</b>:</li> </ul>	

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- 14) Describe any organizational issues (i.e., mergers, acquisitions, personnel changes, business concerns, etc.) about your institution that are currently in process or have occurred within the last three years. What are your firm’s areas of planned strategic growth? Describe any planned or ongoing initiatives that could significantly impact the services provided or fees charged for the PFRSNJ relationship.
- 15) List and provide a summary description of all pending or threatened litigation, regarding services contemplated in this RFP, against your organization. List and describe all agency supervision associated with the pending or threatened litigation. What has been your experience regarding litigation or agency supervision over the past five years?
- 16) Please provide a boiler template contract for the custody and the ancillary services (securities lending, performance measurement and analytics, alternative investment support, user access of systems and on-line applications, etc.) specified in this RFP for review.
- 17) Please provide a list of three (3) client references of similar size and configuration as PFRSNJ that you have serviced over the last three years and furnish corresponding contact information. Please also list the custody and related services currently provided to each client.

**D. Client Base**

- 1) Provide the number of your organization’s clients as categorized in the following tables. Report aggregate values of total assets under custody in US\$ millions for periods specified.

<b>Total Tax-Exempt Trust and Custody Clients Only</b>		
<b>Year</b>	<b>Total Number of Clients</b>	<b>Asset Value (US\$ millions)</b>
<b>2020</b>		
<b>2021</b>		
<b>2022</b>		
<b>2023 YTD</b>		

<b>Public Fund Custody Clients Only</b>		
	<b>Total Number of Clients</b>	<b>Asset Value (US\$ millions)</b>
<b>2020</b>		
<b>2021</b>		
<b>2022</b>		
<b>2023 YTD</b>		

- 2) Provide the number of **tax-exempt trust and custody accounts** gained and/or lost for the periods listed in the following matrix. Report corresponding market values in US\$ millions as of initiation date for clients gained and termination date for clients lost.

<b>Total Tax-Exempt Trust and Custody Clients Only</b>				
	<b>Clients Gained (Number)</b>	<b>Clients Gained (US\$ millions)</b>	<b>Clients Lost (Number)</b>	<b>Clients Lost (US\$ millions)</b>
<b>2020</b>				

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<b>2021</b>				
<b>2022</b>				
<b>2023 YTD</b>				

- 3) Please list the top five (5) Public Fund clients serviced by your firm as specified in the following table. Report aggregate market values of total assets under custody in US\$ million as of December 31, 2022.

<b>Public Fund Custody Clients Only</b>		
<b>Organization Name</b>	<b>Location (City and State)</b>	<b>Asset Value (US\$ millions)</b>

- 4) Provide your organization’s client distribution as specified in the following table. Report aggregate market values of total assets under custody in US\$ million as of December 31, 2022.

<b>Tax-Exempt Client Asset Size Distribution</b>		
<b>Distribution</b>	<b>Number of Clients</b>	<b>Aggregate Market Value (US\$ millions)</b>
<b>Public Funds</b>		
Below \$5 billion		
\$5 billion to \$10 billion		
\$10 billion to \$20 billion		
\$20 billion and above		
<b>Corporate ERISA</b>		
Below \$5 billion		
\$5 billion to \$10 billion		
\$10 billion to \$20 billion		
\$20 billion and above		
<b>Taft-Hartley and other Eleemosynary Funds</b>		
Below \$5 billion		
\$5 billion to \$10 billion		
\$10 billion to \$20 billion		
\$20 billion and above		
<b>Endowments and Foundations, etc.</b>		
Below \$5 billion		
\$5 billion to \$10 billion		
\$10 billion to \$20 billion		
\$20 billion and above		
<b>TOTAL</b>		

**E. Client Servicing**

- 1) What would be the most distinct element of your client servicing approach that PFRSNJ would benefit from and that is considered exceptional relative to the custody industry?
- 2) How do you propose to staff (relationship and day-to-day) for PFRSNJ both from a client servicing perspective and actual daily service deliverables point of view given PFRSNJ configuration?

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- 3) Given that PFRSNJ would technically be a “new” plan carved out to the State of New Jersey Division of Investments, how do you intend to support the relationship over the relationship from conversion to full implementation?
- 4) Does your firm have a dedicated unit just for Public Fund relationships?
- 5) What is the typical client load of your client servicing/relationship manager and day-to-day contact?
- 6) Please provide an organizational chart showing all areas that will be involved in servicing this account. Provide a brief description of each area’s responsibilities.
- 7) What is the staff turnover over the last three years of the proposed client servicing group assigned to PFRSNJ? How do you manage the client service team turnover and how does this process minimize the impact on your clients?
- 8) Please provide the names and bios of the client servicing team members as follows and as specified in the table below. The response shall include Management Executive Sponsor, Relationship Manager, Client Service Team, Custody and Accounting (Financial Reporting and GAAP), Trade Processing and Securities Settlement, including Cash and Expense Reconciliation, Technology and Systems Support, Performance Measurement and Analytics, Alternative Investment Support, and Other key functional areas.

<b>PFRSNJ Client Service Personnel</b>					
<b>Name</b>	<b>Responsibility</b>	<b>Location</b>	<b>Number and Size of Client Relationships</b>	<b>Years with Bank</b>	<b>Years of Experience and Credentials</b>

- 9) Does the envisioned PFRSNJ service team handle other Public Fund clients similar to PFRSNJ in configuration? Please list clients in the table below.

<b>Public Fund Custody Clients Only</b>		
<b>Client Name</b>	<b>Location or Region</b>	<b>Asset Value (US\$ millions)</b>

- 10) Please discuss opportunities your financial institution offers to clients for training and continuing education, and whether those educational opportunities would be available to PFRSNJ.
- 11) Are you able to provide different levels of training and education to PFRSNJ investment and operations staff – at a minimum of 20 hours a year?
- 12) Indicate how customer satisfaction is monitored, and whether clients are provided with the ability to participate in the annual evaluations of their support group as well as overall service performances. If available, the custodian must provide the results of its most recent customer evaluation (name of customer may be omitted).
- 13) Is your institution willing to establish a service level agreement (SLA) or a business requirements document (BRD) after a process flow analysis in addition to the custody contract/agreement? Do you have other clients for which

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you have agreed to such an arrangement? Please provide a summary discussion of your approach.

- 14) What is the typical recourse should the client service team and your organization be unable to meet the service standards or business requirements as agreed to?

**F. Operational Due Diligence, Risks, and Insurance**

- 1) 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 RFP. 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.
- 2) 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.
- 3) 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 PFRSNJ Board.
- 4) Please enumerate substantive issues raised by independent auditors in your SSAE 18 (SOC 1) and issues published in your Form 10-Q. Provide a copy of the most recent annual report, Form 10-Q and SSAE 18 (SOC1). Kindly label accordingly.
- 5) Specific to the above, please identify any and all functions that are not covered by the SSAE 18 (SOC 1) reports.
- 6) Provide the following data and explain its implications, including current capital requirements in lieu of market conditions and regulatory requirements.

<b>Capital Base</b>		
<b>December 31, 2022 or Latest Available</b>		
<b>Capital Requirements</b>	<b>Actual</b>	<b>Current Requirements</b>
<b>Tier 1 Capital Ratio</b>		
<b>Total Capital Ratio</b>		
<b>Leverage Ratio</b>		
<b>Tangible Common Equity</b>		
<b>LCR (Liquidity Coverage Ratio)</b>		
<b>NSFR (Net Stable Fund Ratio)</b>		
<b>TLAC (Total Loss Absorption Capacity)</b>		

- 7) Provide your organization’s current short term and long term credit rating.
- 8) Please provide summary detail on the CCAR Stress Test that you recently conducted under the guidance of federal regulators. In addition, please provide guidance on how you intend to meet Basel III and IV in terms of capital adequacy and liquidity.
- 9) Describe the various types of insurance coverage and indemnification provided to protect clients for service(s) proposed. Each description should include:
  - a. Risk Coverage
  - b. Carriers
  - c. Levels
  - d. Limits
  - e. Deductibles
  - f. Expiration
- 10) Please describe your business continuity and disaster recovery plans. Does this include pandemic planning, cyber-attack (penetration testing), and rogue events? When was the most recent test done? Indicate the date, test type and summary results of the last testing of such emergency plan(s).



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- 11) PFRSNJ would like to understand your data retention, data transfer, and limited access vendor relationship processes specific to custody and related services requested in this RFP. Please describe.
- 12) Regarding access to client information, how does your firm monitor and track employees’ access to client information, including if an employee has downloaded any or a substantial amount of confidential client information (i.e., account numbers, fund names, manager names, security level information, etc.)?
- 13) Does your firm have an internal audit and control team overseeing all services required by PFRSNJ? If so, who comprises the team, what are their roles, how and when do they audit, and what is their level of independence?
- 14) Are any of the service platform applications cloud based? Yes or No.
- 15) Is the cloud a multi-tenant platform or private platform? Are you planning to move any service platforms to a cloud environment in the next 5 years?
- 16) In relation to Hosting/Cloud Solutions, please address the following:
  - a. What type of service is being provided (managed services, SaaS, etc.)?
  - b. What services can be supplied as part of a managed service/SaaS deployment?
  - c. Where is the primary data center located?
  - d. Where is the backup data center located?
- 17) Are services required (a) processed, (b) maintained, and (c) stored in and outside of the US? Please identify critical custody, ancillary services, and support solicited in the RFP.
- 18) Are the platforms FedRAMP Authorized?
- 19) Are you planning to outsource any service platforms in the next 5 years?
- 20) Is your IT security framework based on NIST? Can you contractually agree to comply with NIST?
- 21) Are you compliant with ISO 27701 and ISO 27001 standards?
- 22) Do you encrypt data in transit in accordance with FIPS 140-2 Level 2 standards? If not, what standard do you use for encrypting data in transit?
- 23) Do you 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? Please describe.
- 24) Does your firm comply with the following?
  - General Data Protection Regulation (GDPR) in the EU
  - California Consumer Privacy Act (CCPA)
  - DSGVO (Datenschutz-Grundverordnung)
  - Brazilian General Data Protection Law (LGPD)
- 25) Have you taken affirmative steps to assess and document compliance with the Department of Labor’s “Cybersecurity Program Best Practices” issued on April 14, 2021? If so, please provide your detailed compliance statement addressing all twelve parts.
- 26) 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 name, amount of coverage, policy number and expiration date.
- 27) Does the firm have a cybersecurity incident report policy? If so, is the incident response plan tested at least annually?
- 28) Does your firm utilize any third party marketing relationships? Please disclose any relationships involved or may be involved with the PFRSNJ relationship.
- 29) Please complete the Third Party Security Questionnaire in Attachment C.

**G. Systems, R&D, and Technology**

- 1) Please provide the Systems, R&D, and Technology budgets (in actual US\$ terms) specific to trust and custody services over both the past three years and the next three years.
- 2) Provide a brief description of the information delivery system or workstation for client interface. Include a description of client interface technical requirements (i.e., PC operating system, Mac OS, web browser software and version). Describe the levels of service, if any.

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- 3) Is the above delivery system subcontracted or developed in-house? If subcontracted, please specify the vendor name and release number, including the description of the relationship and how access to the source code is defined.
- 4) Are you undergoing any level of system integration, retiring/sunseting of platforms, major software or application upgrades, migration to a new internal application or to a third party vendor application specific to custody/asset servicing, accounting, performance measurement & analytics, and related services contemplated in this RFP?
- 5) Is your custody and accounting platform able to interface with various third-party accounting systems (such as Oracle Peoplesoft, SAP, Great Plains, Sage/NetSuite, etc.)? Is your accounting system able to map and categorize custody accounts specific to a client’s chart of accounts?
- 6) Is your organization able to deliver professional expert-level Microsoft Excel spreadsheets (data direct and interactive spreadsheets)? If so, is this available or in development? What information and reports do interactive spreadsheets support (i.e., accounting, GASB support, etc.)?
- 7) What is your vision over the next five years in terms of your technology and processing capabilities, including next-generation initiatives around open architecture involving client provisions of third party solutions, data, digital assets (blockchain, distributed ledger, and tokenization to meet Asset Servicing 3.0), and critical infrastructure and/or operational advancements to improve core custody services?

**H. Trade Processing, Settlement, and Custody**

- 1) Are you able to support the following functions?
  - Accept daily instructions from investment managers and the client.
  - Advise investment managers of daily changes in cash equivalent balances.
  - Immediately advise investment managers of additions or withdrawals from account.
  - Notify investment managers of tenders, rights, fractional shares, or other dispositions of holdings.
  - Resolve any problems that investment managers may have relating to custodial account, including security pricing differences.
  - Safekeeping of securities.
  - Interest and dividend collection.
  - Process all investment manager transactions.
  - Collect proceeds from maturing securities.
  - Disburse all income or principal cash balances as directed.
  - Daily feed of beginning of day holdings and cash balances, including end of day information.
  - Continuous Linked Settlement for forward settlement
  - Provide monthly statements by investment manager account and consolidated statement of all assets on a plan and total trust levels.
- 2) State the value of assets held (as of December 31, 2022) at Depository Trust Company and Federal Reserve and the length of the direct participant relationship with these custodians.
- 3) State the value of assets for basic international depositories, such as Euroclear, Clearstream, etc. as of December 31, 2022.
- 4) Does your organization employ actual or contractual settlement date? It is the requirement of PFRSNJ to have contractual settlement. Is this requirement acceptable? When and under what circumstances do you suspend or not offer contractual settlement?
- 5) Does your firm have global custody capabilities and do you employ SEC 17f-5 and 17f-7 in the review and contracting arrangements with your sub-custody network? Please explain your role as Custody Manager and tracking of sub-custodians and the inherent risks associated with such arrangements. Please specify any limitations you make regarding your contracts with your sub-custodians.
- 6) PFRSNJ understands there are certain administrative requirements around international markets such as market account openings, completeness of global documentation, trade settlements, and cash/position reconciliation for country jurisdictions they are in or intend to invest in. What would be different and compelling about your non-US asset servicing support and structure that PFRSNJ should take note of? What would be the general responsibilities

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of PFRSNJ (e.g., review and sign) and what is/are your role & responsibilities to assist in navigating such processes?

- 7) New settlement disciplines under Central Securities Depository Regulation (or CSDR) were implemented in February 2022 and have been years in the making to harmonize settlements in the EU. How has your firm responded and what is the benefit of your approach to institutional clients like PFRSNJ and the Plan?
- 8) Regarding CSDR penalties and buy-ins, how are you able to manage and assist clients avoid or mitigate the potential and associated costs for trade fails or settlement gaps?
- 9) Please discuss your ability to provide custody services to developing, ultra-emerging and frontier markets in Africa, Central/South America, Eastern Europe, and Asia (Middle East, South Asia, and Southeast Asia).
- 10) What is normal protocol in handling not-in-bank assets such as Collective Investment Trusts, Mutual Funds, and LPs? What is different about your custody platform or product/service deliverable that distinguishes your capabilities compared with the competition especially with an investment structure similar to PFRSNJ?
- 11) In a separate exhibit, please provide a side-by-side comparison of daily vs. monthly controls, audit, and review for each of the functions – trade processing, settlements, income, corporate actions, securities pricing, and position and cash reconciliation. Please label accordingly.
- 12) There are requirements for an Independent Tax Agent in certain countries where the PFRSNJ is currently invested or can invest in the future. Please describe how you support the Registration Process, designation of an Independent Tax Agent and preparation of the Global Power of Attorney for the Plan in impacted countries. How do you ensure that this is not a burden to PFRSNJ?
- 13) Related to the previous question, identify the countries for which you have formulated a solution for Independent Tax Agent requirements, including distinct policies. Who is the normal contracted Independent Tax Agent assisting clients like PFRSNJ?
- 14) Describe your collateral processing for derivatives and support of synthetic transactions, including collateral margins, mark to market, collateral management, valuation and reporting, and cash management capabilities in support of investment managers who hold such exposure or positions.
- 15) Related to the above, UMR (Uncleared Margin Rules) is clearly a major issue to both asset owners and asset managers. What does PFRSNJ need to know about the UMR and how you are able to support clients impacted by the rule?
- 16) How do you ensure closed accounts are analyzed for assets and cash transfer?

**I. Income Collection**

- 1) Describe your procedures for ensuring that interest and dividends (domestic and international) are paid.
- 2) When and in what instances do you rescind contractual income collections? What is/are your policy(s) for both domestic and international markets?
- 3) Do you track late collections of income? Can you produce a tracking report detailing outstanding claims? Do you notify clients of failures to collect or late collections of income?
- 4) Please describe your tax reclaim procedures for ADRs and international securities. Are you able to guarantee 100% relief?
- 5) Tax reclaim is contingent on proper documentation completed properly and filed on time. Does your firm offer a more comprehensive and evolved solution aside from your normal income collection platform or group? Why do you think your solution would matter to PFRSNJ?
- 6) What percentage and US\$ value of tax reclaims for the last three years ending December 31, 2022, was your organization able to reclaim?

Period	Total Tax Reclaims (US\$)	Actual Reclaims Collected (US\$)	Actual Reclaims Collected as a percent of Total Tax Reclaims (%)	Outstanding Reclaims (US\$)	Outstanding Reclaims as a percent of Total Tax Reclaims (%)
2020					
2021					
2022					

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- 7) Why do you think you have a more proactive tax reclaim service model than other custodian banks or specialist 3rd party reclaim agents? Please describe.
- 8) How do you go about assisting PFRSNJ and the Plan benefit from relief from source, navigating the European Court of Justice Tax regimes, and other issues to maximize reclaims given current international separate accounts? Any new functionality, tools, and processes PFRSNJ should know about in this area?
- 9) Please describe your reporting capabilities specific to tax reclaims. Can PFRSNJ get regular reporting by country on total available tax reclaim, reclaim opportunity versus actual amount collected, etc.?
- 10) There is always the potential that an investment could generate Unrelated Business Taxable Income (UBTI). Although your firm is not the portfolio manager, how do you assist clients report or track the potential for UBTI? Please discuss any procedures that your organization has in place for assisting clients in dealing with any potential UBTI.

**J. Corporate Actions, Proxy Voting, and Class Action Claims Filing**

- 1) Describe the organization structure and staffing of your corporate actions, proxy voting support, securities litigation and class action claims filing services. Do you have one or more dedicated units focusing on these services, or other structures?
- 2) Is there an on-line tool to elect voluntary actions? Does the tool have varying levels of approval (input vs approve)? Can the Investment Advisor input and the client approve elections?
- 3) Corporate actions are typically straightforward and data driven. Are there any new advances that your firm has developed or enhanced to achieve better functionality and deliver enriched information for both asset owners and asset managers?
- 4) Specific to proxy actions, can you support proxy voting by the investment managers, third party vendor, or client? Please answer the following:
  - a. Briefly describe the custodian’s corporate action procedures for domestic and foreign securities, including providing proxy notification, monitoring, etc. Include a list of the various sources the custodian uses for corporate action announcements.
  - b. How would the client access all proxy notification or voting matters?
  - c. Do you have the capabilities to transfer holding information on a daily, weekly, or monthly basis to a third party?
  - d. Do you have the capability to monitor upcoming international votes?
  - e. How do you address the share blocking issues with global securities?
  - f. How do you address potential premiums paid for voting securities in certain markets?
  - g. How do you account for all possible shares being voted?
  - h. Are you able to recall shares on loan prior to record date to participate in the proxy process?
- 5) What is distinct about your proxy notification and proxy voting support service, whether in-house or subcontracted to a third-party?
- 6) Is class action monitoring and filing of claims performed in-house or subcontracted? What can your firm do and not do in terms of class action monitoring, handling, and filing? Is this delineated by opt-in or opt-out considerations, domestic or international class actions.
- 7) Do you have experience providing data to third party class action monitoring vendors designated by clients? Are data feeds customized for each vendor or are only standard file formats available?
- 8) Please describe your class action monitoring and claims filing processes and procedures in detail, including but not limited to the following:
  - a. Identifying all eligible security positions and match trading history against open class action cases
  - b. Calculating recognized losses
  - c. Preparing supporting materials for a claim and submit a timely, complete, and acceptable filing
  - d. Tracking administration of the settlement
  - e. Handling award distribution payments to investors
  - f. Handling of claim deficiency notices

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- 9) Please describe how many claim deficiency notices you have received in the past 3 calendar years, and what percentage of claims filed that represents. What actions do you take in response to a deficiency notice? Please describe the technology and systems you use for this service, and all client reports you provide on class actions and claims filing and award distributions. Please describe any quality control processes or audits you use related to claims filing and distribution payments. Be very specific.
- 10) Are you willing to file all claims with class periods that predate the conversion using data supplied by the previous custodian of record?
- 11) In circumstances where your firm is terminated as trustee/custodian, do you continue to file all claims on behalf of clients for class periods during which your firm was the custodian of record?

**K. Accounting and Reporting**

- 1) Describe your firm’s investment and fund accounting capability (include system name and year developed). Is the system maintained in-house or subcontracted or maintained through a service bureau arrangement with a third-party?
- 2) Does your organization have a general ledger accounting system in a full accrual, trade date, multi-currency basis?
- 3) Are different accounting systems utilized for daily and monthly valuation clients? Please describe.
- 4) Enumerate a complete description of the general ledger system and the accounting fields (asset and transaction buckets, debit and credit tables, etc.) available.
- 5) Does your organization have the capability to accommodate client-defined reference data such as asset descriptions and reference numbers?
- 6) Describe the basis for monthly audited reports. Are the asset holdings and transactions based on settlement date accounting, settlement date accounting with pending trade adjustments, or trade date accounting? Describe in detail the closing cycle and the ability to close individual accounts (or in phases) while still ensuring that all accounts are closed on a timely basis.
- 7) PFRSNJ considers the custodian as the “book of record” for assets and transactions. Do you accept this responsibility? Please describe.
- 8) What are the future or planned enhancements to your current accounting and reporting system? If planned changes or enhancements are envisioned, what are the advantages to clients?
- 9) Do you have the capability and specifically an API to feed auto generated reports to PFRSNJ website?
- 10) Enumerate all data vendors utilized by your institution for pricing, fixed-income (i.e., swaps) and mortgage factors, corporate actions, etc. Specify primary, secondary, and tertiary sources as indicated in the table below. Note: This information can be furnished as a separate exhibit if necessary (please label accordingly).

Pricing Sources	For what type of Securities, Instruments or Asset Class	Specify if Primary or Secondary	Daily Feeds (Yes or No)

- 11) As custodian, PFRSNJ will rely on your organization for independent valuation and pricing of securities and transactions. Given your reliance on 3rd party vendors for pricing, data, and market information, how do you ensure accuracy, appropriateness, and errors are detected/rectified? Do you indemnify PFRSNJ for pricing, data, market information errors of your 3rd party vendors utilized in the provision of audited statements – Yes or No, and explain?
- 12) What types of reports are available to clients? List both standard and non-standard reports. Please provide samples.
- 13) Given the investment account structure of PFRSNJ, are you able to meet the requirement that audited statements

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are available by the 7th business day after month-end? Is this acceptable? If not, please explain.

- 14) Is your firm able to independently calculate management and performance incentive fees and post accruals monthly? How do you ensure that accruals are reversed when payment is made?
- 15) How does your organization handle derivatives and other complex instruments such as collateralized mortgage obligations, options/futures, swaps, commodities, bank loans, short sales (leverage), and hedge fund accounting? Include the method used to calculate realized and unrealized gains and losses and the corresponding GASB (and or appropriate GASB equivalent) utilized to guide methodologies.
- 16) Do you have the capability to provide GASB 72 reporting, including leveling? Please describe your methodology to delineate, assign, and determine the leveling required.
- 17) Are you able to furnish the financial reports as follows:
  - a) Holdings and Transactions
  - b) Working Trial Balance
  - c) Settled and Pending Transactions
  - d) Failed Trade Reports
  - e) Monthly Reporting of cash exceptions with comments on what action is being taken to clear
  - f) Monthly Reporting of security breaks between custody and accounting records
  - g) Monthly Reporting of tax reclaim status and which documentation is coming up for expiration
  - h) GASB 28, 40, 53, 67, and 72 reports
- 18) How is your accounting capability different for separately managed accounts versus commingled funds? Is the capability any different if it is domestic or international and by asset class?
- 19) How do you handle security/cash transfers between accounts, specifically between custodied accounts and non-custodied accounts such as commingled funds? How does the client know that the cash balances and positions are in sync?
- 20) How does your firm coordinate with multiple commingled funds in order to render consolidated reporting and performance measurement services? Do you have a special team that handles such arrangements?
- 21) PFRSNJ has instituted a formal manager reconciliation process to verify month-end audited statements. What is your investment manager reconciliation policy and procedure before audited statements are sent to clients? Is this proactive, reactive, or is the onus on the investment manager to reconcile to your information? Do you reconcile to the broker daily for margin and collateral?
- 22) Specific to the above investment manager reconciliation process, is it any different for custodied assets versus not-in-bank assets?

**L. Alternative Investment Support**

- 1) Does your firm have a dedicated Alternative Investment Support? What are core and ancillary services available from the Alternative Investment Support group?
- 2) Describe the value-add of subscription to Alternative Investment Support services to areas such as accounting, performance, annual financial reporting, etc.
- 3) Beyond line item and cash flow adjusted valuation and basic tracking, how many tax-exempt clients are utilizing your dedicated Alternative Investment Support? Please complete the table below as of Dec. 31, 2022 or best available.

Client Type	Number of Clients	Total Market Value of Alternative Investments Administered
Public Funds		
Corporate and ERISA Plans		
Endowments and Foundations		
Others		
<b>TOTAL</b>		

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- 4) Describe special procedures for the processing, valuing, and reporting of private market assets such as real estate, commodities, alternative investments, private equity, venture capital, and non-traditional assets including the following:
  - a. Private Equity estimated and final valuations
  - b. Unlagged private equity and real estate valuations – adjusting current period closing valuations, ensuring all expected valuations have been received, handling timing differences (e.g., accrued capital calls)
  - c. Unfunded commitments – reserve commitments, investment period monitoring, recallable distributions
  - d. Private investment distributions – identifying components (cost, realized gain/loss, etc.), adjusting lagged valuations, timing differences (declared by fund, received, liquidated)
  - e. Advanced technology for capital calls – workflow, client wire initiation
  - f. Document Management/Library Maintenance
- 5) For private equity, can you provide continuously updated access to valuation, fees and historic performance data, permitting it to be easily aggregated and disaggregated according to portfolio fund, company, investment strategy, industry, geography, manager and vintage year, and desktop access to this data via a nationally recognized software product designed specifically for the tracking of private equity investments? Describe.
- 6) Specific to alternative investments, do you have capabilities to drill down to the company (security) or partnership level in terms of monitoring? Kindly enumerate and delineate by types of alternative investments such as hedge funds, distressed, private equity, venture capital, real estate, absolute strategies, convertibles, etc.
- 7) Given the complexity of alternative investments, please enumerate all relevant and/or critical business partners, joint ventures, vendor relationships, and service partnership delivery for Alternative Investment Support.

**M. Cash Management (Short Term Investment Management), FX Capabilities, and Expense Invoice Administration**

- 1) To the extent PFRSNJ would use STIFs managed and offered by the custodian, please list acceptable vehicles for the sweep of frictional cash. Please identify each available vehicle as required in the table below and provide a summary description of each and attach appropriate prospectus/fund fact sheets, and fund cut-off time accordingly.

Short Term Fund Vehicle Name and Investment Manager	Regulatory Framework for Inv. Policies & Guidelines (Complies with SEC Rule 2a-7 MMF, OCC Reg 9 STIF, or Other - specify)	Valuation Methodology (Constant \$1NAV or Variable \$1NAV)	Available for Public Funds and Qualified Tax-exempt Institutional Investors (Yes or No)	Total Asset Market Value as of December 31, 2022 (US\$)	Asset Management Fees/Costs or Expense Ratios (bps)	Trading Deadline or Cut-off (specify time in eastern time zone)

- 2) Given preference for stable \$NAV US Government (Treasuries and Agencies) funds for idle cash balances, do you offer both STIFs and Money Market Funds? What would be the lowest cost vehicle available for the Plan?
- 3) How is money invested that is received after the close of business or after the trade deadline close? What is the late day cash vehicle or account – description, asset size value, and fees?
- 4) Does your organization charge daily transaction fees for cash sweeps or 12-b1 fees?
- 5) What is your daily compensation and overdraft policy? The custodian is required to provide formal monthly overdraft reporting which at a minimum includes the following information: Account Overdrawn, Amount Overdrawn, Number of Days Overdrawn, Reason for Overdraft, Responsible Party, and Amount of Overdraft Fees. Is your firm able to meet this requirement?
- 6) Does your organization have the capability to provide a cash availability projection report? How many days is the

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cash projection (i.e., 5 days, 10 days, 30 days, 60 days, or 90 days)?

- 7) Does your organization have a web-enabled platform for PFRSNJ staff to initiate transactions specific to money movement, expense payment, wires and/or capital calls? What are your policies and procedures (i.e., security and authentication, user authorization and approval levels, tracking/monitoring, etc.)? Describe a progressive cash flow movement and control process for PFRSNJ.
- 8) Does your organization charge a penalty or administrative fee/cost for maintaining/holding balances in certain currencies? Please explain and provide specific pricing if applicable.
- 9) Describe your Foreign Currency (FX) management capabilities and competitiveness, including transparency, reporting, benchmarking, compliance culture, and risk discipline.
- 10) PFRSNJ reserves the right to allow its investment managers to execute any and all FX trades with 3rd party brokers. Does your organization charge a penalty or administrative cost for currencies executed by a third-party other than the custodian bank? If so, what is the cost?
- 11) What different FX execution options can you provide to both PFRSNJ and its investment managers beyond custody FX execution for both standing instructions (i.e., dividend repatriation) and settlement driven (i.e., money movement to clear funding and settlement), including direct and indirect FX execution?
- 12) Does your organization charge a penalty or administrative cost for currencies executed by a third-party other than the custodian bank?
- 13) Is your firm able to independently calculate management and performance incentive fees and post accruals monthly? How do you ensure that accruals are reversed when payment is made? Briefly describe your true-up process.
- 14) Does your firm offer fee tracking, invoice processing, and expense management reconciliation service? Please describe the level of services offered.
- 15) Does the above Expense Administration include the following deliverables?
  - Collect invoices from the client's vendors
  - Classify the invoices by vendor as defined by PFRSNJ
  - Scan the invoices into a document storage platform
  - Independently calculate vendor invoice for investment manager invoices only (including wrap providers)
  - Create client specific cover page and include proved out invoice calculation where applicable
  - Present the invoice to the client's authorized approver(s)
  - Post payment through various payment systems such as checks, ACH, Fedwire, SWIFT and the like
  - Post accounting entries for all payments
  - Provide a secure on-line, portal platform, to allow the client's approver(s) to instruct payment

**N. Performance Measurement & Analytics**

- 1) Are you able to calculate both gross and net of fees performance consistent and compliant with GIPS and CFA Institute standards?
- 2) Please describe your organization’s performance calculation methodology for daily and month-end returns. How are performance returns calculated (i.e., Modified Dietz, BAI Institute Method, Mid-Point Adjusted, Begin and End Point Estimations, Transaction-Cash Flow Adjusted, Begin and End of Day Adjusted, Effective Weight, etc.)?
- 3) Are you able to calculate true time-weighted rate of returns at the security level and at the portfolio level? Is this contingent on subscribing to daily vs. monthly rate of return calculations?
- 4) Are returns generated at the security level daily and then rolled-up to portfolio, asset class, investment option, and/or Fund levels?
- 5) Specific to performance measurement calculations, how many decimal places (both minimum and maximum) do you maintain for return factors?
- 6) Please describe your approach to loading and maintaining the performance and custom benchmark history of the Plan in your system. Can inception to date information for performance and custom benchmark numbers be uploaded from the previous custodian?
- 7) Describe the controls in place to ensure that the performance and accounting data reconcile and that the actual performance and benchmark calculations are accurate.



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- 8) Are the performance systems capable of handling accrued (earned but unpaid) management fees?
- 9) Are performance calculations recalculated if the accounting books are re-opened and/or re-adjusted? What is your policy and historical limit to such re-rendering of the performance numbers?
- 10) What (if any) enhancements have been made in the performance and analytics space recently? Are there any in the pipeline? Please describe.
- 11) Are there different levels of performance measurement and analytics services? If there are different service levels, describe whether they reside in one performance measurement module/system or multiple modules/systems.
- 12) Do you offer Universe Peer Group Comparison and Portfolio Attribution services? Please describe the universe or peer group comparison databases and also the global attribution methodology (factor analysis).
- 13) In order to generate month end performance reports or flash reports, are you able to accommodate loading a client specified proxy or representative index or benchmark for performance purposes?
- 14) In a separate exhibit, list all indices, benchmarks and universe returns available to clients, including list of vendors or data providers. Please note in your list all available special indices, benchmarks or universes.
- 15) Please describe your ability to create custom and/or blended benchmarks. What is the custom index calculation engine whether in-house or vended platform? What are the distinct fees and cost charges, if any?
- 16) Describe any licensing and subscription services required around access to indices and underlying constituencies, including costs and service fees. If there are any fees or pass through charges from such services, how are those invoiced and apportioned appropriately?
- 17) What are the various levels of compliance monitoring (i.e., basic, intermediate, or advanced) that you provide? Are there different costs or fees for each level for your compliance monitoring services?
- 18) Is this compliance monitoring performed for all asset classes? Is it performed daily? Is it on a Post-Trade, Pre-Settlement basis? Is it available online?
- 19) Is your compliance monitoring a byproduct or utility based on a Trade Order Management Systems (TOMS) platform? Please describe.
- 20) Is your firm familiar with Trade Order Management Systems (TOMS) and/or have connectivity with such pre-trade platforms, including their compliance module? If yes, please describe the nature of the connectivity?
- 21) Do you own or have an affiliate/venture with Trade Order Management Systems (TOMS)? Please expand on the nature of such ownership or affiliation.
- 22) Please specify the firms you are familiar with either as built in interfaces or connectivity from asset owner and asset management clients (such as Aladdin, Alto, Bloomberg POMs, Charles River, Fidessa, FlexTrade, ITG, SimCorp Dimension, SS&C Eze Castle, TradeWeb, etc.)?
- 23) Please provide a complete description of your capabilities for monitoring for compliance purposes requirements embodied in the Patriot Act, Anti-Money Laundering, and OFAC SDN List. Are you able to identify for PFRSNJ companies in which the Plan is invested that are fined by OFAC?
- 24) Are you able to calculate unlagged performance measurement calculations, including base (USD) and local currency calculations? Describe your ability to generate both lag and non-lag performance calculations, including benchmarks. Please note that the Plan utilizes a lagged approach but adjusts for current cash flows.
- 25) Do you have the ability to provide Private Market performance and comparison with Public Market Equivalence methodologies (such as Long-Nickels ICM, Kaplan-Schoar PME, and Griffiths-Gredil-Stucke Direct Alpha Method)?
- 26) Are you able to provide any levels of risk management software or application for scenario testing, full-bore risk analysis and Value at Risk (“VAR”)? Please describe the actual software or application that would meet this requirement.

**O. Conversion Process**

- 1) Describe your organization’s formal transition planning process, including a timeline, for the Plan as it would apply to PFRSNJ as a lift out from the State of NJ Division of Investments.
- 2) For example, given a notification of engagement by December 1, 2023 and a targeted conversion of April 1, 2024, please provide a detailed transition calendar from State of New Jersey to PFRSNJ asset conversion event.

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- 3) What would be a reasonable parallel processing time for the asset transfer of the Plan and the role of PFRSNJ staff in the conversion?
- 4) On what date would you commence parallel processing in order to develop history, test procedures, and establish entitlements/accruals given a full conversion by April 1, 2024?
- 5) How do you conduct the transfer of line items, private equity, alternative investments, commingled funds, securities, and cash from a prior custodian and its sub-custodians to control the risk of loss of assets and assure that all are received and accounted for properly?
- 6) Given the structure of the Plan are primarily in separate accounts and housed within the unitized fund structure of the State of New Jersey DOI and PFRSNJ would receive a carve out of securities for asset transfer, what would be the ideal start to handle international market registration and account openings for a smooth April 1, 2024 conversion. What are areas of concern or that should receive heightened levels of sensitivity during the conversion process that PFRSNJ should be aware of?
- 7) When should PFRSNJ expect to unwind any securities lending from the State of New Jersey DOI unitized Funds (30 days, 60 days, or 90 days prior to conversion)?
- 8) How will you handle class action filings, income due, and tax reclaim receivables related to settlement periods under prior custodian and settlements that cross over from the prior custodian to the new custodial contract?
- 9) What is your policy to make a client whole if an asset was not transitioned or failed to be accounted for after the conversion date? Who pays the client?
- 10) Describe how you will support an external audit process to confirm and test asset balances during the transition.
- 11) How do you ensure that clients have access to all required systems and are fully trained on how to use the online system for standard reporting, as well as ad-hoc and customizable reporting tools prior to conversion?
- 12) Please address the following Post Conversion Reconciliation issues.
  - a) Do you send the client a reporting package after the conversion that includes reconciliations and confirms accuracy?
  - b) Does the package include a balance sheet reconciliation by account?
  - c) Does the package include a reconciliation of all holdings including shares, cost, and market value?
  - d) When would the reconciliation report be sent?
- 13) Are there specific transition and conversion fees/costs that PFRSNJ should be aware of?

**P. Securities Lending**

- 1) Are there any current organizational issues (i.e., mergers, acquisitions, personnel changes, business concerns, etc.) about your institution regarding securities lending that we should know about? Describe.
- 2) Furnish a securities lending service organization chart with functional areas (e.g., where applicable - executive management, product development, strategy, business development, client servicing, collateral management, operations, data science/programming, technology/systems, trading, risk management, compliance, audit, etc.).
- 3) List and describe all pending or threatened litigation against your organization in reference to securities lending services. List and describe all agency supervision associated with the pending or threatened litigation. What has been your experience with regard to litigation or agency supervision over the past seven years? (Please note that providing a link to a website or company maintained internet portal will not be accepted and will be deemed unresponsive specific to this question.)
- 4) How does your firm manage the following risks?
  - Borrower/Counterparty Risk and Default
  - Collateral Investment Risk
  - Non-Cash Collateral Perfection or Control Risk
  - Interest Rate Risk
  - Credit Spread Risk
  - Liquidity Risk
  - Trade Settlement Risk
  - Operational Negligence
  - Sovereign Risk

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Currency Fluctuation Risk

- 5) Has your organization experienced any losses due to operational negligence, collateral reinvestment and/or security specific reinvestments, and/or broker default since the inception of your securities lending program? Describe. What was the recourse provided to clients and the level of dialogue to explain (resolve) the issues?
- 6) Does your firm stress test your securities lending program? Describe the methodology and procedures utilized for stress testing, including the frequency of testing.
- 7) What is the weighted average duration mismatch between lending and reinvesting for your largest lending pool or representative composite of separate accounts for the 2<sup>nd</sup> quarter ending June 30, 2023? How about the average gap existing in your open and term loans for the overall program?
- 8) Specific to loans collateralized with non-cash collateral, what is the average mismatch as of the 2<sup>nd</sup> quarter ending June 30, 2023?
- 9) Any specific risks emanating from recent pandemic, business continuity and disaster recovery considerations that PFRSNJ should know about? Any specific losses from COVID-19 Pandemic throughout your lending program? Any specific losses from recent bank financial issues precipitated by the Credit Suisse, Silicon Valley Bank and Other banks throughout your lending program?
- 10) Describe how credit analysis is performed in the assessment of acceptable borrowers. Do you have an approved borrow list? Please describe how you handled lending to Credit Suisse over the last year.
- 11) Provide a list of your current borrowers. Identify the top ten borrowers and the percentage these borrowers represent of the total program. Can a client restrict specific borrowers?
- 12) Does the borrow list include your firm, affiliates, subsidiaries, and/or other entities managed or controlled by your firm or parent? If so, please identify.
- 13) Are non-US borrowers allowed within the program and are they subject to SEC supervision and under the jurisdiction of US securities laws when borrowing securities from ERISA and US Tax-Exempt Qualified Plans?
- 14) Does your Borrower’s Agreement specify that “borrowing to manipulate a proxy” is restricted?
- 15) Does your organization have compensation arrangements with borrowers beyond the normal form of negotiating rebates/fees that PFRSNJ should know about?
- 16) What are the forms of collateral (cash and non-cash) that your organization accepts for all securities lending programs enterprise wide? Please enumerate and delineate if acceptable under ERISA DoL PTE 81-6 and 2006-16 or applicable/negotiated on a client-by-client basis or do you maintain distinct ERISA and non-ERISA collateral schedule.
- 17) On a daily basis, PFRSNJ requires full transparency to loans, counterparties, rebates/fees, collateral tracking, etc. Are you able to comply with this requirement and how? What are the different reports available for better transparency and disclosure, including performance attribution and risk assessment? Is there custom report building functionality to your dashboard delivery or through interactive spreadsheet?
- 18) Are you able to contract as a fiduciary as defined under ERISA 2006-16 or an articulated fiduciary defaulting to “ERISA like” terms and conditions and what are the limitations of your fiduciary responsibility?
- 19) What collateralization percentage is required for each of the security types (domestic and international equities and fixed income) and delineated by cash and non-cash collateral? What value (market value only, including accrued interest, etc.) is the basis for this percentage? Do you maintain different collateral requirements and collateralization percentages depending on ERISA and non-ERISA clients?
- 20) In addition to US Treasuries, what are the other forms of non-cash collateral accepted by your program specific to ERISA and non-ERISA clients?
- 21) What are the collateralization levels (initial margin and daily margin) for non-cash collateral other than US Treasury, Government and Agencies? Enumerate and specify by collateral type.
- 22) Is non-cash collateral covered under your borrower default indemnity regardless of SIPC and Orderly Liquidation Authority (OLA – Dodd Frank Act) pronouncements? Are there any specific limits to your indemnity in compliance with Special Resolution Regimes? Please explain.
- 23) PFRSNJ requires borrower default indemnification within the securities lending program. Is your organization able to comply with this requirement? Describe your full operational and borrower default indemnification policy. Be sure

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to address the following:

- Borrower files for bankruptcy for whatever reason.
  - Failure to recall securities before settlement date.
  - Failure to secure additional collateral and margin requirements.
  - Failure to receive dividends, distributions, and all economic benefits of ownership.
  - Immediate use of Non-Cash Collateral in lieu of Borrower Bankruptcy.
  - Non-cash collateral shortfall.
- 24) Does your firm provide additional types of indemnification beyond broker default (i.e., collateral, negligence, trade settlement, etc.)? If so, can your firm provide PFRSNJ with these additional levels of indemnification? Describe.
- 25) Is your organization able to provide for **total or partial collateral investment risk indemnification** if cash collateral is accepted by PFRSNJ? Does your organization have clients with such arrangements? If so, please describe?
- 26) Does your firm offer a fully indemnified US Treasury/Government REPO program for the reinvestment of cash collateral that PFRSNJ should consider and what is the duration mismatch of such a program? If this is available, can this be created in a separate account that PFRSNJ would have full control?
- 27) Regarding the reinvestment of cash collateral restricted to a stable \$NAV US Treasuries/ Government/Agencies, are you able to offer a securities lending commingled and/or separate account? Do you have an asset size minimum for a separate account mandate? Please specify administration fees for either separate accounts or commingled funds for the sole purpose of reinvesting cash collateral.
- 28) For a program with non-cash collateral restricted to US Treasury and Government debt and related instrumentalities, can the posted collateral be perfected to the benefit of PFRSNJ under the control and custody of the custodian?
- 29) Describe your current client base. How many clients participate in your lending program? Please complete the following table as of December 31, 2022.

Plan Sponsor Type	No. of Clients (Agent Relationship)	Lendable Base (US\$) (Agent Relationship)
Public		
Corporates/ERISA		
Endowment and Foundations		
Taft-Hartley, Union		
Mutual Funds, Investment Manager's Commingled Funds		
Insurance Companies		
Others		
<b>TOTAL</b>		

- 30) What was the daily average dollar volume of securities loans outstanding for the last 12 months ending December 31, 2022? Specify in US\$ millions.

Lending Profile For the 12 months ending December 31, 2022							
Total Program	Lendable Base	Loans Collateralized by Cash			Loans Collateralized by Non-Cash		
By Asset Class and Security Types	Daily Avg. Lendable Base (US\$ millions)	Average Out on Loan (US\$ mil)	Average Rebate Rate (bps)	Average Spread Net of Rebate (bps)	Average Out on Loan (US\$ mil)	Average Rebate Rate (bps)	Average Spread Net of Rebate (bps)
US Large Cap Equities							

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US Mid/Small Cap Equities							
US Corporate Bonds							
High Yield							
REITS							
US Government Bonds							
US Government Agencies							
TIPS							
Non-US Equity							
Non-US Fixed Income							
TOTAL							

- 31) Can a client limit lending on any specific security such as: no more than 95% of outstanding shares, 33 1/3 rule, maintain at least 1 or 100 shares, maximum of 25%, tradable lots per position, and/or client specific parameters per security such as the 25 bps spread and 15% investment option lending cap required by PFRSNJ? Please explain.
- 32) Can a client limit lending at a specific security level based on Intrinsic Value such as at least 15 bps or a pure demand spread above 100 bps without reinvest, only on negative rebate levels, and/or earnings based on overnight reinvest only? Please explain.
- 33) For review, provide a brief description of cash collateral reinvestment vehicles (REPO, STIF, commingled, customized, separate, 2a-7 fund, etc.) utilized in the reinvestment of cash collateral applicable to the Plan.
- 34) Does your organization have cash collateral pools dedicated to securities lending or separate accounts that conform at a minimum with a registered 2a-7 fund structure?
- 35) Do you offer an indemnified REPO program for the reinvestment of cash collateral? Please describe the program parameters.
- 36) Does your organization have a 100% full overnight US Treasury/Government REPO option available as a separate account or commingled fund vehicle? Please describe.
- 37) Please specify if the cash collateral reinvest vehicles or dedicated separate accounts are daily valued at market or based on amortized cost.
- 38) Do you charge a management fee (bp) and/or administration fees (bp) plus expense ratios for each type of collateral reinvestment fund, separate accounts, or collateral reinvestment fund? If so, specify the fee and if fees are deducted before or after the split.
- 39) Do you charge an administration, recordkeeping fee (bps) for non-cash collateral? Does this vary by type of non-cash collateral?
- 40) If cash and/or non-cash collateral are required to be perfected under the control of PFRSNJ, will there be custody and related charges that we should know about?
- 41) Given that there is no current securities lending program in place and yet to be defined, what would be revenue sharing arrangement or split range your firm is able to propose for the following and briefly elaborate the program structure for all 3 types of programs:
  - a. conservative - risk averse, cash reinvested in US Treasury/Gov't Securities and non-cash collateral limited to US Treasury/Gov't Securities);
  - b. intermediate - ERISA Type under DoL PTE 2006-16 both on eligible borrowers and collateral with cash reinvested in SEC 2a-7 prime cash guideline; and,
  - c. aggressive - relatively unconstrained with cash (US\$, Euro, CAD\$, Pound Sterling, and JPY), and non-cash collateral with acceptable securities such as US Treasuries and Governments, debt obligations (from OECD, G-7 countries, Canadian Provincial Governments), and equity securities (classified in the S&P 500, FTSE 100, Russell 1000, Nikkei 225, CAC 40, DAX 30, AEX 25).
- 42) Is the split also applicable to negative income if it occurs? What are the limitations of your proposal specific to losses?

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- 43) Are you able to accept a “claw back” feature; wherein, if losses materialize both PFRSNJ and lending agent’s revenues would be utilized to extinguish such losses or shortfall?
- 44) Are you able to accept an “agent zero split” feature wherein if losses materialize the whole revenue split would be 100% to the client’s favor for cash buffering purposes until losses are extinguished?
- 45) Furnish a revenue estimate of the securities lending income for PFRSNJ for one (1) year ending December 31, 2022 utilizing the holdings listed in **Attachment E** of this RFP, available on the PFRSNJ website where this RFP is posted. (Please note that the estimate is backward looking and not forward looking into the future. Thus, for the one-year estimate ending December 31, 2022, utilize the holdings provided and assume that the holdings are in a buy and hold strategy from January 1, 2022 to December 31, 2022.). Please utilize the worksheet format below.

**Calculation Worksheet**

Asset Class	Lendable Assets (US\$)	Percent on Loan (using a 12 month rolling average)	Assets on Loan (US\$)	Intrinsic Spread (bps)	Rebate Rate in bps (using a 12 month rolling average)	Re-invest Rate (bps)	Avg. Daily Spreads Net Rebate and Fees (bps)	Gross Income (US\$)	Plan Share of Revenue (Percent)	Plan Securities Lending Income (US\$ millions)
US Large Cap Eq										
US Mid & Small Cap Eq										
U.S. Corp Bonds										
High Yield										
Mortgages										
U.S. Govt Bonds										
TIPS										
Non-US Equities										
Non-US Fixed Income										
TOTAL										

- 46) If all your clients, at the same time, stop the program or do a “short fuse” termination today, will clients incur losses? If so, what is/are the redemption policies that PFRSNJ should know about?
- 47) Clearly state the gating and redemption procedures your firm instituted, enhanced, or codified with respect to client’s rights regarding securities lending exit or withdrawal from the program.
- 48) Do you have the ability to support opportunistic lending in situations where you alert clients of certain economically advantageous opportunities (which may be outside ERISA PTE 2006-16 but would generate 100+bps and collateralized with US Treasuries and Government Bonds) that may arise that they may wish to participate in? For such instances, do you have a “short form” agreement for client authorization?

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**Fees and Costs Schedule**

This Fee Section is divided into two sections, namely: flat fee and unit cost basis. Using the fee Calculation Worksheet (**Attachment F**) available on the PFRSNJ website where this RFP is posted, please provide the most competitive fee proposal.

**Flat Fee Basis**

- A. Please provide an annual flat fee for core trust/custody services required by PFRSNJ. The flat fee should be quoted in a flat dollar (in US dollars) basis. Clarify whether your annual fee is guaranteed for an initial period of 5 years.**

<b>Pension Plan</b>	<b>Annual Flat Dollar Fee</b>
<b>1<sup>st</sup> Year</b>	
<b>2<sup>nd</sup> Year</b>	
<b>3<sup>rd</sup> Year</b>	
<b>4<sup>th</sup> Year</b>	
<b>5<sup>th</sup> Year</b>	

- B. Cash Management - What are the short term investment vehicles you propose as applicable to the Plan? What is the total expense ratio, including management fees? (Specify: Sweep Options, Late Day Cash, Overnight, FDIC approved, 2a-7 funds, and US Treasury/Government Only.)**
- C. Overdraft Charges - What are the overdraft charges for domestic and international transactions?**
- D. FX Executed by Custodian Bank - For foreign currency executed by the custodian bank for the Plans and investment managers, what is the minimum and maximum spread earned by your organization? Is your organization able to agree to pre-negotiate such spreads relative to a benchmark or range?**
- E. Identify the services included in the flat fee stated in Item A and based on the contemplated investment structure of the Plan:**

a) Master Trust/Custody Core Services for all Asset Types (i.e., domestic, and international)? **yes \_\_\_ no \_\_\_**

If **no**, what are the charges?

Safekeeping \$ \_\_\_\_\_ charge or fee  
 Asset Servicing \$ \_\_\_\_\_ charge or fee  
 Transaction Processing \$ \_\_\_\_\_ charge or fee

Do the custody services include? (please check)

- \_\_\_ Power of Attorney Support  
 \_\_\_ Global Tax Agent Support  
 \_\_\_ Country Regulatory Registration  
 \_\_\_ Tax-Exempt Filing Assistance  
 \_\_\_ Market Guide  
 \_\_\_ German Article 50j Tax Services  
 \_\_\_ Others: (specify)

b) Multicurrency Full Accrual Trade Date Accounting and Reporting? **yes \_\_\_ no \_\_\_**

If **no**, what are the charges?

Standard reports \$ \_\_\_\_\_ charge or fee  
 Customized reporting \$ \_\_\_\_\_ charge or fee

c) Daily Valuation? **yes \_\_\_ no \_\_\_**

If **no**, what are the charges?

Per portfolio \$ \_\_\_\_\_ charge or fee  
 Per Asset Level, Fund or Composite \$ \_\_\_\_\_ charge or fee

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- Per Pool/Unitization \$ \_\_\_\_\_ charge or fee
- d) Daily On-line/Internet services? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the charges?  
 \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee  
 \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee
- e) Contractual Settlement and Auto credit program? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the charges?  
 Domestic \$ \_\_\_\_\_ charge or fee  
 International \$ \_\_\_\_\_ charge or fee  
 ADR's \$ \_\_\_\_\_ charge or fee
- f) Transition, conversion, and reregistration costs? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the charges?  
 \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee  
 \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee  
 \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee
- g) Penalty costs? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the costs?  
 Third-party FX trades \_\_\_\_\_ per trade  
 CSDR Penalties \_\_\_\_\_ per trade  
 Others: (specify) \_\_\_\_\_ transactions
- h) Out-of-pocket expenses? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the charges?  
 Wire transfer \$ \_\_\_\_\_ charge or fee  
 Courier service \$ \_\_\_\_\_ charge or fee  
 Telex charges \$ \_\_\_\_\_ charge or fee  
 Custom programming \$ \_\_\_\_\_ charge or fee  
 Staff training \$ \_\_\_\_\_ charge or fee  
 Stamp duty \$ \_\_\_\_\_ charge or fee  
 Registration \$ \_\_\_\_\_ charge or fee  
 Others: (specify) \$ \_\_\_\_\_ charge or fee
- i) Corporate Actions – both Domestic and International? **yes** \_\_\_ **no** \_\_\_  
 Voluntary/Mandatory \$ \_\_\_\_\_ charge or fee  
 Involuntary \$ \_\_\_\_\_ charge or fee  
 Others: \$ \_\_\_\_\_ charge or fee
- j) Proxy notification? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the charges?  
 Reporting: \$ \_\_\_\_\_ charge or fee  
 On-line Access: \$ \_\_\_\_\_ charge or fee  
 Others: \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee
- k) Class Action – both Domestic and International? **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the charges?  
 Reporting \$ \_\_\_\_\_ charge or fee  
 On-line Access \$ \_\_\_\_\_ charge or fee  
 Legal Filings \$ \_\_\_\_\_ charge or fee  
 Others: \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee
- l) Post Trade/Pre-Settlement Compliance Monitoring or Investment compliance checking (if needed) **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the fees or charges?  
 Basic (Software Solution Only) \$ \_\_\_\_\_ charge or fee  
 Intermediate (Monthly Outsource) \$ \_\_\_\_\_ charge or fee



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Advance (Daily Full Outsource) \$ \_\_\_\_\_ charge or fee  
 Others: (specify) \$ \_\_\_\_\_ charge or fee

m) Independent Derivatives Processing and Valuation (Custody Perspective if needed) **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the fees or charges for Exchange Trade and OTC Derivatives?

Valuation and Reporting: \$ \_\_\_\_\_ charge or fee  
 Processing: \$ \_\_\_\_\_ charge or fee  
 Collateral Management \$ \_\_\_\_\_ charge or fee  
 Others: \_\_\_\_\_ \$ \_\_\_\_\_ charge or fee

n) Basic Performance Return Calculations **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the fees or charges?

Monthly return calculation \$ \_\_\_\_\_  
 Daily return calculation \$ \_\_\_\_\_  
 Historical data download \$ \_\_\_\_\_  
 Gross and Net of Fees \$ \_\_\_\_\_  
 Others: \_\_\_\_\_ \$ \_\_\_\_\_

o) Performance Measurement and Analytics (if needed) **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the fees or charges?

Benchmark/Index \$ \_\_\_\_\_  
 Peer Group/Universe Comp \$ \_\_\_\_\_  
 Portfolio Characteristics \$ \_\_\_\_\_  
 Risk-Adjusted Return Calcs \$ \_\_\_\_\_  
 Historical data download \$ \_\_\_\_\_  
 Executive Board Reports \$ \_\_\_\_\_  
 Look Thru/Drill Down Commingled funds \$ \_\_\_\_\_  
 Customized benchmarks/universes \$ \_\_\_\_\_  
 Bond Analytics \$ \_\_\_\_\_  
 Attribution \$ \_\_\_\_\_  
 Trading cost analysis \$ \_\_\_\_\_  
 Others: (specify) \$ \_\_\_\_\_

Advanced Risk Analytics:

Caissa \$ \_\_\_\_\_  
 truView \$ \_\_\_\_\_  
 Front Office \$ \_\_\_\_\_  
 Solovis \$ \_\_\_\_\_  
 Blackrock Aladdin \$ \_\_\_\_\_  
 Others: (specify) \$ \_\_\_\_\_

p) Commingled Fund Look Thru of CITs and Mutual Funds (if needed) **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the fees or charges?

Per CIT portfolio \$ \_\_\_\_\_ charge or fee  
 Per Mutual Fund portfolio \$ \_\_\_\_\_ charge or fee  
 Per LP portfolio \$ \_\_\_\_\_ charge or fee

q) Data Interface with 3<sup>rd</sup> Party Providers **yes** \_\_\_ **no** \_\_\_  
 If **no**, what are the fees or charges?

Fund Consultants \$ \_\_\_\_\_  
 External Auditors \$ \_\_\_\_\_  
 TOMS (Pre-Trade Compliance Feed) \$ \_\_\_\_\_  
 Actuary \$ \_\_\_\_\_  
 3<sup>rd</sup> Party Class Action Agent \$ \_\_\_\_\_  
 3<sup>rd</sup> Party Tax Reclaim Agent \$ \_\_\_\_\_  
 3<sup>rd</sup> Party Proxy Voting Service \$ \_\_\_\_\_  
 3<sup>rd</sup> Party Data Upload \$ \_\_\_\_\_  
 Others: (specify) \$ \_\_\_\_\_

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r) Corporate Governance and Regulatory Tools? **yes** \_\_\_ **no** \_\_\_

If **no**, what are the fees or charges?

Regulatory Updates	\$ _____	charge or fee
GASB Updates	\$ _____	charge or fee
ESG Governance	\$ _____	charge or fee
ACFR Support	\$ _____	charge or fee
Others (specify)	\$ _____	charge or fee

s) Expense Processing and Administration? (if needed) **yes** \_\_\_ **no** \_\_\_

If **no**, what are the fees or charges?

Invoice Reconciliation	\$ _____	charge or fee
Fee Calculation	\$ _____	charge or fee
Invoice Processing	\$ _____	charge or fee
Expense Administration	\$ _____	charge or fee
Others (specify)	\$ _____	charge or fee

t) Alternative Investment Support - Private Equity, Hedge Funds, Real Estate, Commodities, etc.? **yes** \_\_\_ **no** \_\_\_

If **no**, list the service and associated charge.

Basic Line Item Reporting	\$ _____	charge or fee
Reporting and Monitoring	\$ _____	charge or fee
Full Drill Down (Holdings)	\$ _____	charge or fee
Distributions	\$ _____	charge or fee
Capital Calls	\$ _____	charge or fee
Document Management	\$ _____	charge or fee
Others: (specify)	\$ _____	charge or fee

Specific to alternative inv. support, are any of the following included? **yes** \_\_\_ **no** \_\_\_

If **no**, what are the fees or charges?

Burgiss Private i, Informant and iQ	\$ _____
eFront	\$ _____
LP Analyst	\$ _____
SunGard Investran	\$ _____
Venture Economics	\$ _____
Hedge Fund Research	\$ _____
Others: (Please specify)	\$ _____

Document Management and Library Maintenance? **yes** \_\_\_ **no** \_\_\_

If **no**, what are the fees or charges?

_____	\$ _____	charge or fee
_____	\$ _____	charge or fee

u) Specify other charges and fees not included in the proposed FLAT FEE. If a charge or fee is in direct response to a particular RFP question, identify both section and question. **Failure to specify other charges, whether explicit or implicit costs, would be considered a non-responsive proposal.**

\$ _____	charge or fee	_____
\$ _____	charge or fee	_____
\$ _____	charge or fee	_____

**UNIT COST BASIS**

**F. You are required to provide the following information. Provide an estimate of fees/costs that Plan will incur**

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annually based on the assumptions specified. For purposes of unit cost verification and calculation methodology, please complete the below table using the Fee Calculation Worksheet available on the PFRSNJ website where this RFP is posted.

Police & Firemen's Retirement System of New Jersey (PFRSNJ)		
Account Types and Market Values	Number of Accounts	Corresponding Market Values in US\$ as of December 31, 2022
<b>Total Fund</b>		
Number of Pools of Capital	0	
Number of Participating Plans	0	
Others (list)	0	
Number of Unitizations	0	
<b>Domestic Equities</b>		\$9,501,408,991.91
Separate Accounts	6	\$7,501,408,992
Commingled/Line Item Accounts	1	\$2,000,000,000
Number of Line Item Holdings	1	
Derivatives Accounts		
Number of Exchange Traded Derivative (ETD) Holdings		
Number of OTC Derivative Positions		
<b>International Equities</b>		\$5,090,241,815.94
Separate Accounts	16	\$5,090,241,816
Commingled/Line Item Accounts	1	
Number of Line Item Holdings	1	
Derivatives Accounts		
Number of Exchange Traded Derivative (ETD) Holdings		
Number of OTC Derivative Positions		
<b>Domestic Fixed Income</b>		\$3,214,889,567.96
Separate Accounts	4	\$3,214,889,568
Commingled/Line Item Accounts		
Number of Line Item Holdings		
Derivatives Accounts		
Number of Exchange Traded Derivative (ETD) Holdings		
Number of OTC Derivative Positions		
<b>International Fixed-Income</b>		1,607,444,783.98
Separate Accounts	4	\$1,607,444,784
Commingled/Line Item Accounts		
Number of Line Item Holdings		
Derivatives Accounts		
Number of Exchange Traded Derivative (ETD) Holdings		
Number of OTC Derivative Positions		

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<b>Absolute Return (Hedged Strategies)</b>		\$
		-
Direct/Separate Accounts		
Commingled/Line Item Accounts		
Number of Line Item Holdings		
Number of Exchange Traded Derivative (ETD) Holdings		
Number of OTC Derivative Positions		
<b>Private Equity</b>		\$679,074,639.97
Direct/Separate Accounts		
Commingled/Line Item Accounts	1	\$679,074,640
Number of Line Item Holdings		
<b>PFRS Mortgage</b>		\$1,339,537,319.98
Direct/Separate Accounts		
Commingled/Line Item Accounts	1	\$1,339,537,319.98
Number of Line Item Holdings		
<b>Natural Resources/Commodities</b>		\$
		-
Direct/Separate Accounts		
Commingled/Line Item Accounts		
Number of Line Item Holdings		
<b>Private Credit</b>		\$2,143,259,711.97
Direct/Separate Accounts	1	\$2,143,259,712
Commingled/Line Item Accounts		
Number of Line Item Holdings		
<b>Private Real Assets</b>		2,679,074,639.97
Direct/Separate Accounts	3	\$2,679,074,640
Commingled/Line Item Accounts		
Number of Line Item Holdings		
<b>Cash Accounts</b>		\$535,814,927.99
Direct/Separate Accounts	1	\$535,814,928
Commingled/Line Item Accounts		
Number of Line Item Holdings		
<b>Collateral Accounts</b>		\$
		-
Direct/Separate Accounts	0	
Commingled/Line Item Accounts		
Number of Line Item Holdings		
<b>Zombie (Terminated but Open) Accounts</b>		\$
		-
Direct/Separate Accounts		
Commingled/Line Item Accounts		
Number of Line Item Holdings		
<b>Transition Accounts</b>		\$
		-
Direct/Separate Accounts	2	
Commingled/Line Item Accounts		

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Number of Line Item Holdings		
<i>Total</i>		<b>\$ 26,790,746,399.68</b>
<b>International Securities</b>	<b>Corresponding Market Values in US\$ as of December 31, 2022</b>	
<b>Note:</b> International Issues such as ADRs, GDRs, etc. not held by the local market sub-custodian should be excluded from the country market value and included instead in Depository market value (i.e. Clearstream, DTC or Euroclear).		
Argentina		
Australia	\$255,809,182	
Austria	\$6,874,100	
Bahrain		
Bahamas		
Bangladesh		
Belgium	\$32,559,298	
Benin		
Bermuda		
Bosnia & Herzegovina		
Botswana		
Brazil	\$85,401,742	
British Virgin Islands		
Bulgaria		
Burkina Faso		
Canada	\$397,574,439	
Cayman Islands		
Chile	\$3,092,607	
China - A-Shares/B-Shares		
China - Hong Kong Dollar		
China - CIBM		
Colombia		
Costa Rica		
Cote d'Ivoire		
Croatia		
Cyprus		
Czech Republic	\$918,472	
Denmark	\$87,765,861	
Dubai		
Ecuador		
Egypt	\$30	
Estonia		
Finland	\$30,896,128	
France	\$356,611,417	
Germany	\$215,195,469	
Ghana		
Greece	\$5,244,078	

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Guinea-Bissau	
Hong Kong	\$460,358,882
Hong Kong Stock Connect	
Hungary	\$11,313,918
Iceland	
India	
Indonesia	\$39,124,156
Ireland	\$20,165,518
Israel	\$19,059,419
Italy	\$74,599,365
Jamaica	
Japan	
Jordan	
Kazakhstan	
Kenya	
Kuwait	
Latvia	
Lebanon	
Liberia	
Lithuania	
Luxembourg	\$1,122,958
Malaysia	\$10,130,002
Mali	
Malta	
Marshall Islands	
Mauritius	
Mexico	\$35,980,857
Morocco	
Namibia	
Netherlands	\$125,545,295
New Zealand	\$5,342,462
Nigeria	
Norway	\$19,616,762
Oman	
Pakistan	
Palestine	
Panama	
Peru	
Philippines	\$3,989,154
Poland	\$5,740,132
Portugal	\$10,873,672
Puerto Rico	
Qatar	\$6,818,113
Romania	
Russian Federation	\$99,693

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Rwanda	
Saudi Arabia	
Senegal	
Serbia	
Singapore	\$46,247,207
Slovak Republic	
Slovenia	
South Africa	60,621,080.63
South Korea	\$178,183,378
Spain	\$70,999,616
Sri Lanka	
Sweden	\$100,967,083
Switzerland	\$289,988,809
Taiwan	
Tanzania	
Thailand	\$28,520,073
Togo	
Trinidad & Tobago	
Tunisia	
Turkey	\$6,419,816
UAE	\$15,601,523
Uganda	
Ukraine	
United Kingdom / Channel Islands	\$734,811,616
Uruguay	
Vietnam	
Venezuela	
Zambia	
Zimbabwe	
Clearstream	
DTC	\$31,463,437,168
Euroclear	\$19,621,991
EuroNext	
<b>Total</b>	<b>\$ 35,343,242,540.23</b>
<b>Transaction Volume</b>	<b>Transaction Volume for 1 Year ending December 31, 2022</b>
Domestic Depository Trades (DTC/Fed Book)	14,124
Domestic Non-Depository Trades	260
Mutual Fund/Commingled Fund Trades	
Manual Transaction (where automated solution exists)	
Physical Securities	
Principal & Income Payments, Payup/Paydown	1,030
Repo Transaction/Collateral	

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Futures Transactions (Per Leg)	
Margin Variation	
Maturities	25
Bank Loan Postions Tracked	
Bank Loan Transactions Processed	
Tax Reclaims	156
Wires (US Incoming)	84
Wires (US Outgoing)	96
Capital Calls (Outgoing Wires, Separate from Wires US Outgoing)	60
Checks	
ACH Transfers	
Options (Exchanged Traded)	
Options (OTC)	
Swaps	
Custody FX Transactions	3,842
3 <sup>rd</sup> Party FX Transactions	7,548
Proxy Notifications - Domestic	4,000
Proxy Notifications - International	800
Corporate Actions (Splits, Voluntary/Involuntary)	1,100
Class Action Filings (Number)	
Class Action Proceed Distributions (Amount in USD)	
<b>International Transactions</b>	
Argentina	
Australia	736
Austria	
Bahrain	
Bahamas	890
Bangladesh	
Belgium	
Benin	
Bermuda	
Bosnia & Herzegovina	
Botswana	
Brazil	764
British Virgin Islands	
Bulgaria	
Burkina Faso	
Canada	900
Cayman Islands	
Chile	32
China - A-Shares/B-Shares	
China - Hong Kong Dollar	
China - CIBM	
Colombia	



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Costa Rica	
Cote d’Ivoire	
Croatia	
Cyprus	
Czech Republic	30
Denmark	150
Dubai	
Ecuador	
Egypt	
Estonia	
Finland	
France	
Germany	
Ghana	
Greece	
Guinea-Bissau	
Hong Kong	1635
Hong Kong Stock Connect	
Hungary	140
Iceland	
India	
Indonesia	220
Ireland	
Israel	255
Italy	
Jamaica	
Japan	1845
Jordan	
Kazakhstan	
Kenya	
Kuwait	
Latvia	
Lebanon	
Liberia	
Lithuania	
Luxembourg	
Malaysia	62
Mali	
Malta	
Marshall Islands	
Mauritius	
Mexico	136
Morocco	
Namibia	
Netherlands	

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New Zealand	109
Nigeria	
Norway	145
Oman	
Pakistan	
Palestine	
Panama	
Peru	
Philippines	24
Poland	139
Portugal	
Puerto Rico	
Qatar	24
Russian Federation	10
Rwanda	
Saudi Arabia	
Senegal	
Serbia	
Singapore	118
Slovak Republic	
Slovenia	
South Africa	375
South Korea	760
Spain	
Sri Lanka	
Sweden	552
Switzerland	360
Taiwan	
Tanzania	
Thailand	110
Togo	
Trinidad & Tobago	
Tunisia	
Turkey	66
UAE	65
Uganda	
Ukraine	
United Kingdom / Channel Islands	853
Uruguay	
Vietnam	
Venezuela	
Zambia	
Zimbabwe	
Clearstream	
Euroclear	1980

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EuroNext

PFRSNJ Ancillary	Performance Measurement			
	Rate of Return Calculations	Internal Rate of Return (IRR) Calculations	Monthly Performance (Security Level)	Daily Performance (Security Level)
<b>Custom Benchmarks and Indices</b>				
Total Fund Level Custom Benchmark				
Asset Class Level Custom Benchmark	15			15
Specific Portfolio Level Custom Benchmark				
Composites or Aggregations	18			18
<b>Domestic Equity</b>				
Separate Accounts	6			6
Commingled/Line Item Accounts	1			1
<b>International Equity</b>				
Separate Accounts	16			16
Commingled/Line Item Accounts	1			1
<b>Domestic Fixed Income</b>				
Separate Accounts	4			4
Commingled/Line Item Accounts				
<b>International Fixed Income</b>				
Direct/Separate Accounts	4			4
Commingled/Line Item Accounts				
<b>Private Capital (Private Equity and Private Credit)</b>				
Direct/Separate Accounts	2	2		2
Commingled/Line Item Accounts				
<b>PFRS Mortgage</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts	1	1		1
<b>Hedged Strategies/Absolute Return</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts				
<b>Commodities/ Natural Resources</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts				
<b>Public Real Assets</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts				
<b>Private Real Assets</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts	3	3		3
<b>Cash Accounts</b>				
Direct/Separate Accounts	1			1
Commingled/Line Item Accounts				
<b>Collateral Accounts</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts				
<b>Zombie (terminated but open) Accounts</b>				
Direct/Separate Accounts				
Commingled/Line Item Accounts				
<b>Transition Accounts</b>				
Direct/Separate Accounts	2			2
Commingled/Line Item Accounts				

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PFRSNJ Ancillary	Analytics					
	Performance Attribution	Universe or Peer Comparison	Portfolio Characteristics & Risk/Reward Calculations	Investment Compliance Monitoring	Commingled Fund Look Through	Advanced Risk Analytics (Ex-Ante)
<b>Custom Benchmarks and Indices</b>						
Total Fund Level Custom Benchmark	Yes		Yes			
Asset Class Level Custom Benchmark	Yes		Yes			
Specific Portfolio Level Custom Benchmark	Yes		Yes			
Composites or Aggregations	Yes		Yes			
<b>Universe Comparisons</b>						
TUCS		Yes				
Master Trust Universes		Maybe				
<b>Domestic Equity</b>						
Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts	Yes		Yes			
<b>International Equity</b>						
Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts					Yes	
<b>Domestic Fixed Income</b>						
Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						
<b>International Fixed Income</b>						
Direct/Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						
<b>Private Capital (Private Equity and Private Credit)</b>						
Direct/Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						
<b>Real Estate</b>						
Direct/Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						
<b>Hedged Strategies/Absolute Return</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts						
<b>Commodities/ Natural Resources</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts						
<b>Public Real Assets</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts						
<b>Private Real Assets</b>						
Direct/Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						
<b>Cash Accounts</b>						
Direct/Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						
<b>Collateral Accounts</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts						
<b>Zombie (terminated but open) Accounts</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts						
<b>Transition Accounts</b>						
Direct/Separate Accounts	Yes		Yes	Yes		
Commingled/Line Item Accounts						

PFRSNJ Ancillary	Alternative Investment Support					
	Capital Call Support	Unfunded Commitment Reconciliation	Private i(or equivalent)	Private Informant (or equivalent)	Private IQ (or equivalent)	Hedge Fund Transparency
<b>Private Capital (Private Equity and Private Credit)</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts	Yes	Yes	Yes	Yes	Yes	
<b>Real Estate</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts	Yes	Yes	Yes	Yes	Yes	
<b>Hedged Strategies/Absolute Return</b>						
Direct/Separate Accounts						
Commingled/Line Item Accounts						