



REQUEST FOR PROPOSALS

CUSTODIAL AND ADMINISTRATIVE SERVICES FOR THE STATE OF NEW JERSEY CASH MANAGEMENT FUND

	Date	Time
Due Date For Electronic Questions Refer to RFP Section 1.4.1 for more information.	August 5, 2024	2:00 PM
Proposal Due Date	September 18, 2024	2:00 PM

Dates are subject to change.

All times contained in the RFP refer to Eastern Time.

RFP Issued By:

State of New Jersey
Department of the
Treasury Division of
Investment
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Date: July 15, 2024

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1.0 INFORMATION FOR BIDDERS

1.1 PURPOSE AND INTENT

This Request for Proposals (RFP) is issued by the Division of Investment (DOI) within the Department of the Treasury. The purpose of this RFP is to solicit bid proposals from contractors to provide custodial services, fund accounting, and participant/shareholder accounting for the State of New Jersey Cash Management Fund (the Fund). DOI is seeking a cost-effective custodial solution with a talented and experienced client service team, leading edge technology, and seamless delivery of custody, accounting, compliance, performance, and reporting. The successful Bidder's client servicing philosophy is expected to be best in class.

The intent of this RFP is to award a Contract to that responsible Bidder who's Proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The State, however, reserves the right to separately procure individual requirements that are the subject of the Contract during the contract term, when deemed by the Treasurer to be in the State's best interest.

The State of New Jersey Standard Terms and Conditions (Rev. 2/8/2024) and Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions (Rev. 1/11/2022) (collectively, the "Standard Terms & Conditions"), included in this RFP, apply to all contracts or purchase agreements made with the State of New Jersey. These terms, as modified in Section 6.9, are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

NOTE: Questions regarding the Standard Terms & Conditions and exceptions to mandatory requirements must be posed during the Electronic Question and Answer period and should also contain the Bidder's suggested changes.

1.2 BACKGROUND

Established in 1977, pursuant to N.J.S.A. 52:18A-90.4, the Fund provides the State, its counties, municipalities and school districts and the agencies or authorities created by any of these entities, with a convenient and economical means of investing short-term funds at the best rates available for prudent investments. The State Investment Council (SIC) has adopted Subchapter 61 of the New Jersey Administrative Code, Title 17, Chapter 16, which establishes the rules governing participation, permissible investments, valuation of investments and units for the Fund. A copy of the current regulations is included as [APPENDIX 3.9](#) to this RFP. Please note that the regulations may be updated from time to time.

The net asset value of the Fund was approximately \$39.0 billion as of June 30, 2023. There are about 6,100 participant accounts in the Fund. On June 30, 2023, 278 accounts for State Participants and 5,806 accounts for Other-than-State Participants were open. The Other-than-State Participants include counties, municipalities, school districts, and the agencies or authorities created by any of these entities. The number of active accounts may increase or decrease at any time as participation in the Fund is voluntary.

The Fund invests primarily in U.S. Government and Agency obligations, Commercial Paper, Certificates of Deposit, and Corporate Bonds. The Fund may invest in U.S. dollar denominated securities issued by foreign entities. No derivatives are held in the Fund. The assets of the Fund are managed and traded by DOI.

For Fiscal Year 2023 (ending June 30, 2023):

The approximate average security transactions per month were:

- Purchases – 103 transactions totaling approximately \$15.8 billion;
- Sales – 0.3 transactions totaling approximately \$0.1 billion; and
- Maturities – 107 transactions totaling approximately \$15.8 billion.

The approximate average State participant transactions per month were:

- Contributions – 495 transactions totaling approximately \$5.0 billion.
- Withdrawals – 373 transactions totaling approximately \$5.2 billion.
- There were approximately 155 transfers between State participant accounts.

The approximate average Other-than-State participant transactions per month were:

- Contributions – 140 transactions totaling approximately \$376.2 million.
- Withdrawals – 385 transactions totaling approximately \$433.3 million.
- There were approximately 215 transfers between Other-than-State participant accounts.

There were approximately 5 transfers per month between State and Other-than-State participant accounts.

Currently, the Fund is closed for Other-than-State participant contribution and withdrawal transactions after 1:00 PM daily. On days where there is an early close, usually associated with the bond market closing early near a holiday, the fund for Other-than-State Participants currently closes at 11:00 AM. State participant contribution and withdrawal transactions are provided to the Contractor by approximately 12:00 PM (noon).

Monies may be deposited in or withdrawn from the Fund on any day when both New Jersey banks and State offices are open, unless otherwise communicated in advance. Deposits made prior to 1:00 PM (or 11:00 AM on days of an early close) will be credited with income from such day to the date of withdrawal. All residual (i.e., uninvested) monies remaining at the close of business will be swept by the Contractor into an overnight investment account, with the interest credited collectively to all participants in the fund daily. (Note: It is the State's practice to invest as much of the Fund's assets as practicable in securities on a daily basis, with minimal amounts in cash.)

Any residual monies shall be invested in an overnight investment account (cash sweep vehicle) or interest bearing checking account approved by DOI in advance.

1.3 MINIMUM QUALIFICATIONS; SCREENING CRITERIA

- Pursuant to N.J.S.A. 52:18A-90.4, the Bidder must have a physical presence in the State of New Jersey in the form of a principal office or branch office and must employ New Jersey residents.
- The Bidder must be a financial institution with specific experience and expertise in providing custody services to tax-exempt and/or public funds. Experience serving U.S. local government investment pools is preferred.
- The Bidder must custody assets of at least \$200 billion in market value.

Additional screening criteria to be considered may include, but are not limited to: unwillingness or inability to comply with SIC regulations and DOI policies; uncompetitive fees; and historical performance inconsistent with expectations.

1.4 KEY EVENTS

1.4.1 ELECTRONIC QUESTION AND ANSWER PERIOD

DOI will electronically accept questions and inquiries from all potential Bidders via e-mail to DOI.RFP@treas.nj.gov.

- The RFP should be clearly referenced in the subject line;
- Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP;
- Each question should begin by referencing the RFP page number and section number to which it relates; and
- Questions regarding the Standard Terms & Conditions along with any exceptions to mandatory requirements should contain requested changes.

Bidders must not contact DOI staff directly, in person, by telephone or by e-mail, other than through the e-mail above, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the DOI website, <https://www.nj.gov/treasury/doinvest/rfp.shtml> after the cut-off date. (See Section 1.5.1 for further information.)

1.4.2 DEADLINE FOR SUBMISSION OF PROPOSALS

In order to be considered for award, the proposal must be received by DOI on or before the due date and time as indicated on the cover sheet.

ANY PROPOSAL NOT RECEIVED BY THE DATE AND TIME INDICATED ON THE COVER SHEET WILL BE REJECTED.

If a Bidder requests, prior to the deadline, that the Director postpone the deadline due to a documentable cause of delay that is beyond the control of the Bidder, or if the Director otherwise determines that postponement is in the State's best interest, the Director shall designate a revised deadline. The Director shall post notice of any postponement of the deadline on the DOI website at: <https://www.nj.gov/treasury/doinvest/rfp.shtml>.

Bidders using U.S. Postal Service regular or express mail services should allow additional time since the U.S. Postal Service does not deliver directly to DOI.

Bidders are required to provide proposals to the address and in the specific delivery format as described in Section 4.2.

1.5 ADDITIONAL INFORMATION

1.5.1 ADDENDA: REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by Addendum. Any Addendum will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL ADDENDA WILL BE ISSUED ON DOI'S WEB SITE, <https://www.nj.gov/treasury/doinvest/rfp.shtml>.

There are no designated dates for release of Addenda. Therefore interested Bidders should check DOI's website on a daily basis from the time of RFP issuance through the proposal submission deadline.

1.5.2 BIDDER RESPONSIBILITY

The Bidder assumes sole responsibility for the complete effort required in submitting a proposal in response to this RFP. It is the sole responsibility of the Bidder to be knowledgeable as to all of the requirements of this RFP and any Addenda. No special consideration will be given after proposals are opened because of a Bidder's failure to be knowledgeable as to such requirements.

The State assumes no responsibility and bears no liability for costs incurred by a Bidder in the preparation and submittal of a proposal in response to this RFP.

1.5.3 PUBLIC DISCLOSURE OF PROPOSAL

After the opening of the proposals, all information submitted by a Bidder in response to the RFP is considered public information notwithstanding any disclaimers to the contrary submitted by a Bidder. The response will not be subject to public disclosure until a notice of intent to award is announced.

Proprietary, financial, security and confidential information may be exempt from public disclosure by OPRA and/or the common law when the Bidder has a good faith, legal/factual basis for such assertion. As part of its proposal, a Bidder may request that portions of the proposal be exempt from public disclosure under OPRA and/or the common law. The Bidder must provide a detailed statement clearly identifying those sections of the proposal that it claims are exempt from production, and the legal and factual basis that supports said exemption(s) as a matter of law. The State will not honor any attempts by a Bidder to designate its price sheet, price list/catalog, and/or the entire proposal as proprietary and/or confidential, and/or to claim copyright protection for its entire proposal. If the State does not agree with a Bidder's designation of proprietary and/or confidential information, the State will use commercially reasonable efforts to advise the Bidder. Copyright law does not prohibit access to a record which is otherwise available under OPRA.

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

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

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

1.5.4 PRICE ALTERATIONS

Proposal prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Any price alteration that has not been initialed shall be disregarded, unless a duplicate copy within the Bidder's proposal packet contains the same alteration. Examples of alterations include, but are not limited to, cross-outs, erasures, white-outs, write-overs, and strikeovers, with re-entered prices. If the alteration has not been initialed, that particular item only shall be rejected, except if the extended price is verifiably correct and does not contain an alteration or if the extended total price is verifiably correct and does not contain an alteration, it shall be considered the offered price. In the event of a rejection of a single line of a proposal responding to a request for multiple prices for multiple items, the remainder of the proposal shall be evaluated.

1.5.5 WITHDRAWING PROPOSALS

A Bidder discovering an error in its bid proposal prior to the proposal submission deadline may request, in writing, that its submitted proposal be withdrawn. If the request is granted, the Bidder may submit a revised bid proposal, provided such revised proposal is received prior to the proposal submission deadline.

A Bidder discovering an error in its bid proposal after the proposal submission deadline but before the contract award may make written application to the Director for authorization to withdraw its bid proposal. The Director shall consider the Bidder's good faith in making the request, as evidenced by: whether the mistake relates to a material feature or term of the proposal; whether the mistake occurred notwithstanding the Bidder's exercise of reasonable care; and whether the error is so significant that to enforce the contract resulting from the proposal would be unconscionable. The Director shall also consider whether the State would be significantly prejudiced by granting the request.

2.0 DEFINITIONS

The following definitions will be part of any contract awarded or order placed as result of this RFP.

Addendum – A written clarification or revision to this RFP issued by DOI.

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

Branch Office – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Clearinghouse – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Common Pension Fund – A common trust fund used to combine the assets of the individual pension plans for the purposes of investing.

Contract – This RFP, any addenda to this RFP, the Standard Terms & Conditions, the Contractor's proposal submitted in response to this RFP, the Contractor's Best and Final Offer, and the Custody Agreement.

Contractor – The Bidder awarded a contract resulting from this RFP.

Custodian – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Depository – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Director – The Director of DOI.

DOI – The Division of Investment, State of New Jersey, Department of the Treasury.

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

DOI Designated Individual(s) – The DOI employee(s) designated in writing by the Director to receive information, authorize transactions, or provide direction to the Contractor.

Fiscal Agent – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Fund – The State of New Jersey Cash Management Fund.

May – Denotes that which is permissible, not mandatory.

OPRA – Open Public Records Act (N.J.S.A. 47:1A-1 et seq.)

Other-than-State Participants (also known as Non State Participants) – Participants designated by DOI as being an Other-than-State Fund Participant in the Cash Management Fund.

Pension Fund – The aggregate of the seven Pension Plans and the Common Pension Funds.

Pension Plans – The individual retirement systems: Public Employees’ Retirement System (PERS), Teachers’ Pension & Annuity Fund (TPAF), Police and Firemen’s Retirement System (PFRS), State Police Retirement System (SPRS), Judicial Retirement System (JRS), Consolidated Police and Firemen’s Pension Fund (CPFPPF), and Prison Officers’ Pension Fund (POPF).

Primary Custodian – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Principal office – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Property – All investments and other assets delivered to, deposited with, received or collected by the Contractor from the Treasurer or from other persons or entities in trust for and for the benefit of the Fund.

Request for Proposal (RFP) – This document which establishes the bidding and contract requirements and solicits proposals to meet the needs of DOI as identified herein.

Selection Committee – A committee established by the Director to review and evaluate proposals submitted in response to this RFP and to recommend a contract award.

Shall or Must – Denotes that which is a mandatory requirement.

Should – Denotes that which is recommended, not mandatory.

Standard Terms & Conditions – State of New Jersey Standard Terms and Conditions (Rev. 2/8/2024) and Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions (Rev. 1/11/2022), which are available online at:
<https://www.nj.gov/treasury/purchase/forms/CombinedStateofNewJerseyStandardTermsandConditionsandWaiveredSupplement.pdf>

Note 1: All references in the Standard Terms & Conditions to the Director of the Division of Purchase and Property shall for this RFP be references to the Treasurer.

Note 2: All references in the Standard Terms & Conditions to the Division of Purchase and Property shall for this RFP be references to DOI.

Note 3: All references in the Standard Terms & Conditions to the State Contract Manager shall for this RFP be references to the DOI Contract Manager.

State – The State of New Jersey.

State Participants – Participants designated by DOI as being a State Participant in the Cash Management Fund

State Investment Council (Council or SIC) – A board whose role is to establish the methods, practices, and procedures it deems necessary or proper to govern the investment activities of DOI.

Sub-custodian – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Sub-fiscal Agent – Has the meaning set forth in N.J.S.A. 52:18A-90.4a.

Subtasks – Detailed activities that comprise the actual performance of a task.

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

Task – A discrete unit of work to be performed.

Treasurer – The Treasurer of the State of New Jersey.

3.0 SCOPE OF WORK

The Contractor's scope of work is to provide custody, accounting, compliance, performance, and reporting services for the assets of the Fund. The Contractor shall act in a fiduciary capacity as custodian of all Property. The Contractor shall furnish all services, materials, and personnel necessary to provide such services for the Fund in compliance with those professional and fiduciary standards established as reasonable and customary by the industry for similar services. The Contractor shall perform the scope of work in accordance with all applicable local, state and federal laws, rules and regulations governing such services, including the provisions of N.J.S.A. 52:18A-90.4 *et seq.* and amendments thereto, if any.

The Contractor shall hold all Property for the Fund subject to and in accordance with the terms of the Contract, subject to any additional instructions provided by the Treasurer or the DOI Designated Individual(s). Ownership of all Property held on behalf of the Fund shall at all times be and remain in the Fund, and the specific securities and other Property held by the Contractor shall at all times be identifiable on the Contractor's records as being held on behalf of the Fund. The Contractor may not assign, hypothecate, pledge, use or otherwise dispose of any Property except pursuant to written instructions approved by the Treasurer or the DOI Designated Individual(s) or the express provisions of the Contract. The Contractor may not assert any right, charge, security interest, lien, encumbrance, or other claims of any kind to the Property. The Treasurer or the DOI Designated Individual(s) shall, from time to time, at the reasonable request of the Contractor, furnish to the Contractor appropriate instruments to enable the Contractor to hold or deliver in proper form for transfer, or to register in the name of the Fund or the name of the Contractor's nominee, any Property that it may hold on behalf of the Fund.

Except as otherwise permitted by law or directed by written instructions from the Treasurer or the DOI Designated Individual(s), all securities held under this RFP that are not held through a Depository or Clearinghouse shall be held by the Contractor in an account and physically segregated and set apart at all times from the Contractor's proprietary assets and, unless in bearer form, shall be registered in the name of the Contractor's nominee, or the Fund, and shall be physically held by the Contractor.

The Contractor shall be responsible to the State of New Jersey, the Treasurer, the Fund, DOI, and the State Investment Council for the proper and faithful performance of the services required of it pursuant to the terms of the Contract, for the fidelity and integrity of its officers, employees, and agents employed in any undertaking under the Contract, and for any and all loss or damage which may result from any failure to discharge or from any improper or incorrect discharge of its duties, including any unauthorized disclosure of confidential information; and the Contractor shall save harmless the State of New Jersey, the Treasurer, the Fund, DOI and the SIC, or any trustee, employee or officer thereof, from any and all loss or damage caused thereby.

3.1 ACCOUNTING AND AUDITING

The Contractor shall:

- Provide a daily trial balance reflecting trade date accounting for all securities and full accrual accounting for all assets. All assets must be reported at original cost, amortized cost and current market value pursuant to accounting standards applicable to the Fund;
- Provide daily net asset value and daily unit value for the Fund at the end of each business day. There is one consolidated daily net asset value and daily unit value for the Fund; however, the net asset value is allocated into two categories: State and Other-than-State as described in Section 3.1.1 below;
- Provide daily accounting services in accordance with applicable accounting standards for all investments in the Fund including, but not limited to the following:
 - All income, expense, and security transactions (cash and non-cash);
 - All fixed-income securities; and
 - Capital changes, including mergers, acquisitions, tenders, warrants, and spin-offs;
- Provide accurate segregation and accounting of income and expense by type reported in the statement of changes in net position to include interest income, dividend income, capital gains, capital losses, unrealized gains/losses, accrual-based fees, etc.;
- Serve as the official “book of record” for the Fund based on DOI’s fiscal year basis, July 1 to June 30;
- Provide daily cost basis for investments using original cost and average cost;
- Provide Fund accounting and daily pricing of portfolios for the purpose of computing daily net asset values (i.e., price per unit) for the Fund;
- Provide sufficient management oversight to ensure compliance with any and all DOI internal procedures as communicated to the Contractor by DOI from time to time, for month-end reconciliations, pricing, tolerance audits, data quality, research of un-priced securities and variance resolution;
- Have Contractor audited data available no later than the fifth (5th) business day after month end, which shall include, but not be limited to, the following:
 - Individual transaction and month end par value, market value, and accrued income;
 - Position holdings, Net Asset Value (NAV), purchases, sales, maturities, gains, losses, and income; and
 - Timely investigation and resolution of any variances found outside pre-set tolerances to the satisfaction of DOI staff. Tolerances are defined by DOI and currently set at 3% for security pricing differentials and \$0.005 of net asset unit price.

- Provide technical expertise and assistance to DOI's investment accounting and portfolio administration personnel including, but not limited to:
 - Assistance in identifying ways in which the Contractor's resources, products, and information can be used to maximize efficiency of investment accounting and trade settlement procedures, including on-site training as requested;
 - Providing ongoing updates, information, and training concerning new investment instruments and accounting issues surrounding various investment types;
 - Providing technical assistance in implementing recently released accounting pronouncements issued by the Governmental Accounting Standards Board (GASB), and the Financial Accounting Standards Board (FASB);
 - Providing direct access to designated individuals to assist with technical questions;
 - Providing an account administrator(s) available by telephone and e-mail between the hours of 7:30 AM and 4:00 PM; and
 - Providing daily verification and reconciliation of net cash flows (purchases, sales, maturities, income payments, principal payments, etc.) with DOI staff on a contractual settlement basis. The Contractor shall provide adequate staff to assist DOI with this process daily.

3.1.1 PARTICIPANT ACCOUNTING

- The Contractor shall provide the total participant accounting of the Fund. The Contractor shall have the flexibility to modify existing computer programs to conform to the current as well as future participant accounting requirements of the Fund. Changes may include, but are not limited to, changes in permissible investments, administrative expense fee and reserve fund fee;
- As of June 30, 2023, there were about 6,100 individual participant accounts in the Fund comprised of 278 State participant accounts and 5,806 Other-than-State participant accounts. Monies may be deposited in or withdrawn from the Fund on any day on which both New Jersey banks and State offices are open, unless otherwise communicated in advance. The participant accounting is divided into two (2) separate categories of accounts (State and Other-than-State). The Contractor shall maintain the two (2) categories separately;
- The Contractor shall follow all instructions of each participant with regard to cash movement. The Contractor shall be responsible to verify with the participant proper authorization with regard to such instructions;
- The Contractor shall ensure the income distribution applied at a daily rate per each unit valued at one (1) U.S. dollar;
- All contributions and withdrawals in the Fund for Other-than-State participant accounts are under the control of the individual participants. State accounts are under the control of DOI. Transfers may be initiated by either individual participants or DOI. Transactions vary according to the financial needs of the participant. It is possible that various accounts could move dollar amounts in excess of \$10 billion daily. The account balance fields for each participant account statement shall be able to accommodate balances over \$10 billion. The Contractor's computer system shall be capable of posting large money movements in total;

- The majority of transactions to and from the Fund are by wire. The Contractor shall be a member of the Federal Reserve Banking system and have an on-line Fed wire number;
- Fund contributions may also be in the form of a check from individual participants. The Contractor shall provide deposit or remittance slips and a lock box, as needed, for this purpose;
- Various participants maintain multiple accounts in the fund. The Contractor shall provide participants with the capability to transfer monies between their accounts on a book entry or non-cash basis;
- The custodian shall confirm and provide information as requested by the DOI Designated Individual(s) for auditing purposes directly to DOI's auditors and the Other-than-State Participants' auditors; and
- The custodian shall send outgoing wires (withdrawals) by 2:00pm to participants, or within 2 hours of receipt of the transfer request, whichever is earlier.

3.1.2 STATE PARTICIPANT ACCOUNTING

- The State Participants include all accounts under the control of the State Treasurer. These accounts are divided into two (2) groups, 1) the Pension Funds, and 2) all other State Participants. The daily contributions, withdrawals, and transfers are controlled by DOI.
- DOI prepares a daily summary of withdrawals and contributions and any transfers and indicates the appropriate account numbers and dollar amounts for all State participant transactions. These summaries are transmitted electronically to the Contractor daily by approximately 12:30 PM.
- Upon receipt of these instructions, the Contractor shall promptly wire the appropriate money for withdrawals to the designated prearranged banks and bank accounts for the various State participant accounts. Bank wire delays resulting from daylight overdraft concerns are not acceptable to the State. The Contractor shall have daylight overdraft limits that allow for full compliance with the Contract;
- For State participant contributions, DOI or State Participants will provide instructions to various banks to wire money to the Contractor. The Contractor shall ensure that all incoming wires (contributions) from the various banks have been received and matched against the daily summary of transactions provided by DOI by 3:00 PM, alerting DOI to any non-matched or mismatched wires; and
- All contributions, withdrawals and transfers for State participant accounts shall be received and processed at any time up to 5:00 PM same business day. The State requires that it not be penalized due to a late delivery caused by a late wire transfer. The State will ensure that the funds will be available to the Contractor as of that calendar date.

3.1.3 OTHER-THAN-STATE PARTICIPANT ACCOUNTING

- The Other-than-State Participants include all participants not classified as State Participants. The individual participants will notify the Contractor of their contribution, withdrawal, and transfer requirements daily. Individual instructions shall be provided by the individual participants for withdrawals. The Contractor shall ensure that the money, subject to account credit balances and proper authorization, is promptly provided by wire transfer to the participant's prearranged bank account to be received same business day. The Contractor shall maintain a list of individuals authorized to request financial transactions or make any changes to their accounts;

- All contribution requests from Other-than-State Participants received prior to 1:00 PM and all withdrawal and transfer requests received prior to 12:00 PM noon (unless the trading day is subject to an early closure) shall be posted to the participant's account and be included in that day's earnings. Contribution and withdrawal and transfer requests received after the closing deadlines shall not be considered as received that day and shall not participate in that day's earnings. Any remaining cash shall be deposited in the checking account as a single deposit and a corresponding liability shall be recorded. This amount shall be identified and reported to DOI. This cash shall be added to any other cash remaining, including cash remaining as a result of fails, and shall be swept by the Contractor into an overnight investment account approved in advance by DOI, to be credited daily and distributed to the participants; and
- The Contractor shall transmit to DOI electronically by 6:00 PM daily, a breakdown for all Other-than-State transactions. The breakdown should be in the form of two (2) separate files, or two (2) separate pages on one (1) file, one for contributions to and the other for withdrawals from the Fund. The summary shall detail the account number, dollar amount, date and time. The summaries shall be totaled.

3.1.4 PARTICIPANT STATEMENTS

- The Contractor shall produce Participants' Statements of Accounts and make them available electronically, directly to participants, on any day activity occurs. Activity should be construed to mean contributions to, withdrawals from, transfers, adjustments, and other activities which result in a change to the balance. Participants should be able to view activity when posted, or at the latest, 7 AM the following Business Day. Daily statements need not be produced when only interest has been earned on the account unless requested.
- The Contractor shall produce, and make available electronically, month-end participant account statements to all participants within five (5) business days after the close of the month; and as well as make available in hard copy and/or by mail on an as needed basis.
- Statements shall include the following information:
 1. The name of the account;
 2. The account number;
 3. Account address;
 4. Individual transactions;
 5. Transaction activity date;
 6. Transaction identification;
 7. Type and the associated transaction dollar amount;
 8. Beginning, Daily, and Ending Balances;
 9. Total month-to-date and year-to-date contributions, withdrawals and income;
 10. Notes as requested by DOI; and
 11. Other account identification deemed necessary by DOI

- The Contractor shall permit participants with online access to their accounts the ability to download transaction data into Microsoft Excel .CSV and/or .XLS format, starting with present, current day data and at least 24 calendar months prior.
- No net transactions. There shall be no netting of transactions. Interest or dividend income shall be credited to participant accounts daily based on the calculated income rate per unit. This information must be shown on participants' statements.
- The Participant Account Statement field sizes shall be large enough to accommodate individual transactions of up to \$99,999,999,999.99 and account balances of up to \$999,999,999,999.99.
- If requested, the Contractor shall provide, by month, for each Other-than-State participant account, actual charges for the administrative and reserve fees.

3.1.5 SERVICE ORGANIZATION CONTROL REPORT

- The Contractor shall provide that DOI and its auditors are intended users of the Contractor's Service Organization Control (SOC) Report (formerly SAS 70 Report). The Contractor shall assure that its auditor includes such a statement in the audit opinion letter; and
- A copy of the SOC reports shall be provided automatically to DOI when available and a gap letter shall be provided to DOI's auditors as required.

3.2 TRADE SETTLEMENT

The Contractor shall:

- Provide on-line security clearing at the DTC, Federal Reserve, and other clearing agents as required;
- Affirm all trades were executed and settled;
- Settle, and safe keep or electronically register all book entry and physically-held securities;
- Provide timely notification of pending and failed trades to the Fund's accounting and portfolio staff and interact with third parties, such as brokers or other DOI custodians, as directed by the DOI Designated Individual(s);
- Provide electronic access to trade data by the DOI Designated Individual(s) and well as by the Fund's consultants, record keepers and any other third party approved in advance by the DOI Designated Individual(s);
- Provide settlement on a delivery versus payment basis. Free delivery settlement must receive prior written approval by the DOI Designated Individual(s);
- Provide settlement of fixed income contracts;
- Provide a comprehensive system for selecting Sub-custodians and evaluating and monitoring their internal control structures, performance, and financial condition;
- Accept trade data and settlement instructions electronically via upload or trade order management and settlement systems engaged by DOI; and
- Provide technical expertise and assistance to the Fund's portfolio administration personnel including ways in which the Contractor's resources, products, and information can be used to maximize efficiency of the trade settlement procedures.

3.3 SETTLEMENT AND INCOME CREDITING POLICIES

The Contractor shall, on a contractual settlement basis, credit or debit the appropriate account of the Fund on the contractual settlement date in connection with all trading transactions, income, and principal payments to include, but not be limited to purchases, sales, maturities, redemptions, interest, dividends, and any other principal and income event.

Exception: Securities for which pay-down factors or accrual information is not available. If it is impossible to project, and thus credit, principal on such securities prior to actual receipt, the custodian shall credit partial payment (of interest) on a contractual settlement basis and principal on an actual settlement basis in instances where interest can be accrued but where principal factors are unavailable.

3.3.1 SETTLEMENT FAILURES

- Upon the failure of any securities transaction to settle or otherwise be completed when contractually required, including the failure of a securities broker, dealer or its agent to deliver physical securities, in good form or with such evidence of ownership as mutually agreed upon by seller and buyer, to buyer or buyer's agent on the contractual settlement date (Fail), the Contractor will take all reasonable steps available to:
 - Determine the cause of the Fail;
 - Notify the Fund and the appropriate DOI Designated Individual(s) of all material facts surrounding the Fail promptly, and in any event, not later than forty-eight (48) hours after becoming aware of the Fail;
 - Take such steps as are within the Contractor's authority or control to remedy the Fail; and
 - Cooperate with all parties to remedy the Fail.

- If the Fail was due to the action or inaction of the Contractor or was otherwise the Contractor's responsibility, the Contractor shall reimburse or indemnify the Fund for any claims, losses, damages, and liabilities (including legal fees and expenses) resulting from or associated with the Fail, including, without limitation, the following:
 - Interest on money not timely received by the Fund because of the Fail;
 - Costs incurred in connection with the buy-in of a failed security or similar costs;
 - Interest or other payments owed by the Fund to other parties because of the Fail; and
 - The Contractor shall agree to pay sale Fail compensation in an amount equal to the daily earnings for the cash sweep vehicle utilized by the Fund.

- All cash held by the Contractor that is designated for settlement of a failed securities purchase transaction shall be made available to the Fund for investment immediately upon such settlement failure or shall be invested in the cash sweep vehicle if the Fund is closed.

3.3.2 INCOME CALCULATION

The Contractor shall:

1. Calculate income for State Participants in the following manner:
 - The total amount of income available for distribution shall equal the sum of the following items:
 - Daily interest income;
 - Daily discount income;
 - Realized gain on sales;
 - Amortized discount; and
 - Any net income from the previous day that was not distributed.
 - The following items shall be deducted from the amount of income available for distribution:
 - Realized loss on sales; and
 - Amortization of premium.
2. Calculate income for Other-than-State Participants in the following manner:
 - The total amount of income available for distribution shall equal the sum of the following items:
 - Daily interest income;
 - Daily discount income;
 - Amortized discount; and
 - Any net income from the previous day that was not distributed.
 - The following items shall be deducted from the amount of income available for distribution:
 - Reserve fund charge (see below); and
 - Administrative expense fund charge (see below).
 - A charge of up to 1/10 of one percent per annum may be charged to “Other-than-State” participants to provide a reserve fund in the event of certain losses that could be incurred by the Fund. This fee is credited to the “State of New Jersey Cash Management Fund – Reserve Fund” (a State account in the Fund) at the beginning of each month. Currently 1/100 of one percent is charged. This fee is subject to review and modification from time to time. The Contractor’s system must have the ability to modify the fee accordingly.
 - In addition, a charge of up to 1/10 of one percent may be charged to Other-than-State Participants to reimburse the State for expenses of the Fund. This fee is credited monthly to the “State of New Jersey Cash Management Fund - Administrative Expense Fund” (a State account in the Fund). Currently 1/20 of one percent is charged. This fee is subject to review and modification from time to time. The Contractor’s system must have the ability to modify the fee accordingly.
 - Other-than-State Participants do not share in any capital gains or losses; they are charged directly to the Reserve Account.
3. Calculate net income available. The net income available as derived from the above calculations is divided by the number of outstanding participating units to determine separate daily rates for the State and Other-than-State Participants, to be applied to each unit. In addition to the rate calculation, an annualized daily yield shall be calculated. All rates and yields shall be calculated out to a minimum of 4 decimal places.

3.4 CASH MANAGEMENT

- The Contractor shall establish and maintain a checking account (DDA account) in the name of the Fund in the banking department of the Contractor.
- The Contractor shall provide a daily checking account statement reflecting a summary of daily cash activity for the Fund. The daily checking account must show a daily opening and closing balance; debit and credit columns; individual entries for all securities transactions; and separate entries for total contributions, withdrawals and all other cash movements for State Participants and Other-than-State Participants. Cash receipts must never be netted against cash disbursements.
- A copy of the daily checking account statement shall be transmitted electronically to DOI.
- The Contractor shall provide the previous day's closing cash balance no later than 7:00 AM to DOI by way of electronic facilities.
- The Contractor shall provide an automated daily sweep, by account, for any late money to the Contractor's cash sweep vehicle, as chosen and directed by the Fund.
- The Contractor shall provide daily cash flow projections and other cash management reports as requested by the Fund and as modified from time-to-time as circumstances warrant.
- The Contractor shall provide overnight investment options for money received after the occurrence of the daily sweep for all fund types managed by the Fund. These options must comply with all DOI SIC regulations.
- The interest earned via the daily cash sweep shall be provided to the Fund for investing as demanded by the Fund.
- The Contractor shall open new accounts as requested by State and Other-than-State Participants. These accounts shall be open and available promptly for participant use.

3.5 CORPORATE ACTIONS & LITIGATION

3.5.1 CORPORATE ACTIONS

The Contractor shall:

- Provide timely notification to the appropriate DOI Designated Individual(s) of all mandatory and voluntary corporate actions related to the Fund or the Property held on behalf of the Fund, including dividend payments, tenders, warrants, and other non-scheduled redemptions. Any corporate actions not responded to by the Fund shall be followed up with a telephone call by the Contractor to the appropriate DOI Designated Individual(s) to ensure the Fund has received the information;
- Maintain an automated system for capturing, tracking, notifying, and approving corporate actions and reporting on aging actions that the Fund can access;
- Employ "best of breed" vendors for corporate action information collection and notification (including detailed requirements of the Funds' entitlements and deadlines) to be provided to the Fund or its agents

within twenty-four (24) hours of receipt;

- Promptly deliver, or cause to be delivered, to the appropriate DOI Designated Individual(s) all reports, notices, proxies, and proxy soliciting material received by the Contractor with respect to any securities. The Contractor shall not vote any of the securities held by the Fund except in accordance with the instructions of a Designated DOI Individual; and
- Promptly deliver, or cause to be delivered to the Fund or the appropriate DOI Designated Individual(s) all other written information concerning securities, corporate actions, or other Property held for the Fund, including, without limitation, written information concerning the pendency of calls and maturities of securities and expirations of rights in connection with securities or concerning tender or exchange offers received by the Contractor from the issuers of securities whose tender or exchange is sought and from the party (or its agents) making the tender or exchange offer. The Contractor shall follow up with a telephone call to the appropriate DOI Designated Individual(s) to ensure DOI has received the information.

3.5.2 LITIGATION

The Contractor shall:

- Provide services related to class actions, securities litigation and bankruptcy proceedings, including filing claim notices and other documents relating to the claim;
- Identify and forward relevant class-action, bankruptcy and related litigation notices to the appropriate DOI Designated Individual(s) sufficiently in advance of the respective filing dates. Information shall include a copy of the complaint and detail as to the venue, attorneys, claims administrators assigned, deadlines, etc. In the event DOI has not responded to the Contractor with instructions on how to proceed with the filing, the Contractor shall follow up with a telephone call to the appropriate DOI Designated Individual(s), sufficiently in advance of any applicable filing or other deadline, to ensure DOI has received the information and can respond by the applicable deadline. DOI shall provide the Contractor with instructions on how to proceed with the filing or other action;
- Provide automatic loading of investment trade data and calculate loss estimates;
- Periodically reconcile the data on securities class actions filed with investment exposure to identify where a proof of claim must be filed and then verify that it has been timely filed;
- Track rejections of claims and take additional action, as authorized by the appropriate DOI Designated Individual(s), when required;
- Reconcile funds received with claims made and allocate them to applicable investment funds and portfolios;
- Provide a client-accessible system for monitoring class actions, securities litigation and bankruptcy proceedings affecting the portfolio of securities of the Fund. It must be available through a secure internet application. Fund personnel must be able to review the class action claims prepared by the custodian prior to filing; and
- Provide a client-accessible system to handle and track history of securities held during the periods that are subject to proceedings.

3.6 TECHNOLOGY/SYSTEM REQUIREMENTS

The Contractor shall:

- Accept file uploads from, or interface with, DOI's trade order management system, if required, to receive transactions and, as needed, security master data for new purchases;
- At DOI's direction, securely export positions, prices, cash, and book value adjustments into the trade order management system for reconciliation;
- Transmit daily feeds of unaudited transactions to the Fund's investment accounting service provider and the Fund's data warehouse, if required;
- Securely provide an automated feed of the following data according to DOI's specifications (see [APPENDIX 3.6 – Feed Requirements](#)) to load into DOI's third-party portfolio analysis, data warehouse, and trade order management systems, if required:
 - Transactions, including any backdated or missed transactions not sent initially or transactions subsequently revised;
 - Valuations, including any backdated valuations not sent initially or subsequently revised;
 - Security Master Data for new securities and changes to existing master data (daily);
- Provide a technical point of contact with the firm familiar with the overall business relationship to work with DOI to answer questions, discuss advances in the online services, and address concerns;
- Provide on-site training at DOI's office as needed to DOI's staff during the initial conversion process and at any time when substantial changes have been made to the software;
- Provide on-line, real time access to data held in the Contractor's records from DOI and from authorized remote work stations. Complete histories of investment activity of all the Fund's holdings shall be maintained throughout the term of the relationship. For performance evaluation purposes, total rates of return will be back loaded using data provided by the incumbent custodian;
- Provide all audited month-end accounting reports in a format acceptable to DOI. In addition, *ad hoc* query and reporting functions shall be available, and the Contractor shall, by mutual agreement, and in a timely manner, provide additional custom reports (complying with industry- standard report formats developed in the future) as requested by DOI, at no additional charge;
- Provide adequate protection against unauthorized access to the Fund's records under the Contractor's control. The system must provide the ability to authenticate users, audit access and changes to data, and restrict or grant users privileges in accessing and changing data based on their role. The infrastructure controls and processes supporting the Contractor's service must be comparable to the State of New Jersey security standards (Refer to Section 6.8).

- Safeguard records against potential loss or destruction by fire, theft, vandalism, storm, earthquake, terrorism or any other hazard, by replication data sent to a secure location so that records can be recreated which are current at least to the prior month-end and any daily activity immediately preceding the occurrence of such event. Safeguards should include contingency sites for key operational sites, restricted access and authentication for data centers, and backup power and telecommunication options that can be immediately deployed;
- Provide an established and proven plan for business continuation in emergency situations. The Contractor shall recreate records, including, but not limited to, portfolio holding data essential to portfolio management, and resume operations necessary for the daily investment activities of the Fund, including, but not limited to, trade settlement, money movement and cash sweeps (to include an authorization plan to move from written or electronic signatures to verbal), within eight(8) hours of any occurrence of any major disaster or other cause which destroys records and/or interrupts normal operation of the Contractor's systems. The Contractor shall periodically test its business continuation plan and operating procedures and provide assurances that testing confirmed their abilities to operate as indicated in the Contractor's business continuation plan;
- Retain computer records of all audited investment transactions and month-end positions on electronically readable storage media for seven (7) years. The Contractor shall assure that records maintained on electronically readable storage media are checked for viability on an annual basis and migrated, if necessary, to more current technology in order to maintain accessibility during the entire retention period. Upon contract termination, the Contractor shall translate the information to a flat file, or other format mutually determined, for retention by DOI;
- Provide business critical reports by alternate means (*e.g.* facsimile transmission or e-mail) upon request, and store business critical reports for future transmission when normal business processes have been restored; and
- Provide the means to connect to the Contractor's systems via an alternate route to be used in the event that the Internet or other connection normally used is not functional or DOI has experienced a circumstance that requires using DOI's offsite backup location.

3.6.1 ADDITIONAL TECHNOLOGY REQUIREMENTS

The Contractor shall:

- Have the ability to send a direct feed to DOI's pension funds' custodian (currently State Street Bank) of daily transactions, for integrated pension fund performance attribution and daily unitization. Technical requirements are attached as [APPENDIX 3](#) - Feed Requirements;
- Have the ability to provide a direct feed to the State of New Jersey, Department of the Treasury, Division of Office of Management & Budget of daily transactions;
- Have the ability to accept a direct feed from DOI's Trade Order Management System;
- Provide online access for participants:
 - Online access shall be provided to view account and statement information. There shall be no legal waiver or disclaimer or agreement between a participant and the Contractor to view such information. The information available shall include, at a minimum, statements, units, daily rate,

- contributions, withdrawals, and transfers.
- Online access may be provided to allow participants to modify details to their accounts, including account name and address, banking information for withdrawals, and other account details; and
- Provide information electronically to third-parties at the direction of DOI.

3.7 REPORTING REQUIREMENTS

The Contractor shall provide intra-day, daily, monthly, quarterly and annual reports as necessary:

3.7.1 INTRA-DAY REPORTING:

- The Contractor shall contact DOI at agreed upon times to report the net amount of Other-than- State participant Contributions and Withdrawals. The times shall be communicated by DOI to the Contractor.
- Reconciling the Fund's Daily Activity. The initial reconciliation shall consist of a review of the day's activity as described within. The reconciliation shall commence no later than 1:15 PM ET, unless the Fund has an early closure due to the Bond markets closing early or other reason provided to the Contractor in advance, at which time the reconciliation shall commence no later than 12:00 PM (noon) ET. Participant Transactions and Holdings shall be fully accounted for and deemed final as of the initial reconciliation. The reconciliation shall consist of all known fund activity for the day, including but not limited to:
 - Opening Balance
 - Total Maturities
 - Total State Participant Contributions
 - Total State Participant Withdrawals
 - Total Other-than-State Contributions
 - Total Other-than-State Withdrawals
 - Total Trade Purchases
 - Total Trade Sales
 - Other income or expense to the Fund
 - Current Closing Balance
- After the initial reconciliation, DOI may choose to trade remaining monies in the Fund for additional securities, sell holdings, or leave the remaining cash in the overnight short-term investment fund (STIF). The Fund will then be reconciled after the additional trades have been completed, with the remaining cash to be invested in the overnight STIF.
- The Contractor will reconcile next day holdings with DOI.
- All reporting may be done via telephone or electronically, subject to mutual agreement between DOI and the Contractor.
- The Contractor shall provide Daily Pending & Settled Trade Reports, showing the live status of trade activity.

3.7.2 DAILY REPORTS

The Contractor will provide:

- A daily trade report;
- A daily failed trades report;
- A trial balance showing all assets, including cash sweep vehicle balance, liabilities, total State Participants' equity, total Other-than-State Participants' equity and all income and expenses of the Fund. Liabilities may include, but are not limited to, cash received from participants subsequent to the daily investment cut-off and overdrafts. Individual debits and credits to the accounts are applied to the opening balances to arrive at closing balances for all accounts;
- An earned income report, which shall include all securities held by the Fund, showing a full description, all cost-related figures, par, daily interest, accrued interest receivable, daily discount, accrued discount receivable, daily premium and accumulated amortization;
- An amortization report, which shall include all daily interest and amortization (earnings) and total interest receivable and amortization for the Fund. The accuracy and availability of the report is extremely important. This report and the current accounting inventory works on a First-In-First- Out (FIFO) method for sales and recognition of gains and losses. CUSIPs *may not be combined* on this report;
- Separate daily worksheets listing State contributions, State withdrawals, Other-than-State contributions and Other-than-State withdrawals. Each category shall be totaled for quantity of transactions and amount. The worksheets shall provide:
 - a. Transaction amount;
 - b. Account Name;
 - c. Account number; and
 - d. Date and Time of Transaction.

- A dividend rate calculation report, available no later than 7:00 AM the next business day, which shall include, for both State Participants and Other-than-State Participants:
 - Average days to maturity;
 - Yields calculated on a daily basis. If the month ends on the final business day of the month immediately prior to or during a weekend or holiday, the report, including factor and yields, shall be split to not overlap the change of month. Yields shall include:
 - I. Dividend factor (income distribution rate);
 - II. Annualized daily yield;
 - III. Annualized 7 day yield; and
 - IV. Annualized 30 day yield.
 - Income, including:
 - I. Interest income;
 - II. Amortized discount;
 - III. Repo discount;
 - IV. Discount income;
 - V. Realized gain (loss) on sale;
 - VI. Amortized premium;
 - VII. Prior Day Breakage; and
 - VIII. Gross distribution
 - Expenses and Adjustments, including:
 - I. Administrative fee;
 - II. Reserve Fund fee; and
 - III. Net distribution.
 - Other information, including:
 - I. Units Outstanding;
 - II. Percentage of units allocated to State participant and Other-than-State participant accounts;
 - III. Current day's maturities; and
 - IV. Next day's cash/beginning balance.
- A Security Maturity Journal to support maturities' figures. This report shall include CUSIP (nine (9) digits), security description, rate, issue date, maturity date, original cost, yield, principal, interest due, and total dollars due. This report shall be able to be sorted by maturity date;
- The Contractor shall provide a Security Purchase and Sale Report;
- The Contractor shall provide a Portfolio Holdings Report;
- A Contribution Report for Other-than-State Participant Contributions received after the day's Other-than-State Participant deadline;
- An Asset Allocation Report shall be provided showing maturities by date, grouped by type of security (i.e., commercial paper, US Treasury Bills, US Treasury Notes, etc.);
- The Contractor shall provide a daily valuation report. The valuation report is used to compute:

- The total income to be distributed; and
- The income rate of distribution to be applied to each unit of participation and the corresponding yield.
- The separate rate shall be computed for State and Other-than-State participant accounts thus requiring separate accounting for State and Other-than-State Participants;
- All income earned on securities, calculated using standard income calculations, will be distributed to the participants on a straight line basis spread over the actual number of days such security is held by the Fund. Income from securities with semiannual interest payments will also be distributed to the participants on a straight line basis spread over the actual number of days in the interest period;
- The Contractor shall provide a daily data feed to DOI's accounting system and global custodian, in a manner prescribed by DOI. Transaction codes specific to the accounting system must be used; and
- Provide daily net asset value computation and unitization calculation for the Fund.

3.7.3 MONTHLY/QUARTERLY REPORTS:

The Contractor will provide:

- Monthly audited accounting statements and transmit audited data to DOI by the fifth (5th) business day following month end. Audited account statements will include a full reconciliation of principal amount, market value, and accruals. Reconciliation tolerances are set by DOI and shall be changed or modified at DOI's discretion;
- Monthly/quarterly financial reporting, which shall be available by the fifth (5th) business day after month-end or quarter-end, as applicable, and shall include the following:
 - Statement of Net Position;
 - Statement of Changes in Net Position;
 - Audited monthly accounting package;
 - Security listing by account including detailed master file data as requested, as of the last business day of each month, including the following information:
 - I. The amount of par held;
 - II. The full security description;
 - III. The maturity date and interest rate;
 - IV. The original cost;
 - V. The security amortization cost;
 - VI. The security market value; and
 - VII. Any other data point(s) requested by DOI;
- Accrued income by account, security, and type;
- Subsidiary ledgers for each account on the trial balance as applicable;
- A monthly dividend register report (an income distribution report), including, for both State Participants and Other-than-State Participants: account number, account name with full account address, number of shares, year-to-date dividend, month-to-date dividend, and the last transaction date;

1. For State Participants, the dividend register is divided into two (2) classifications of accounts: the Pension Group and the State Group. Each group is subtotaled and combined into a grand total for the Fund. Within each group, the report shall be sorted based on directions from DOI Designated Individual(s). This dividend register shall be transmitted electronically to DOI monthly;
 2. For Other-than-State Participants, the dividend register shall be produced in account order, with a grand total for the Fund shown. The dividend register for the Other-than-State Participants shall be transmitted electronically to DOI monthly; and
 3. The Contractor shall provide a summary page showing totals for both the State Participants and the Other-than-State Participants with a grand total for all participants.
- Statement of Cash Receipts and Disbursements with both month- and year-to-date amounts; and
 - A summary report of daily rates for the previous month.

3.7.4 ANNUAL (FISCAL YEAR) REPORTING:

- Provide an accurate report of all holdings, yearly transactions, and other pertinent investment data, in a format acceptable to DOI, no later than thirty (30) days after the end of each fiscal year;
- Provide data as requested by the Fund's auditors in a format and time frame acceptable to them;
- Provide a year-end financial reporting package to enable preparation of the Fund's financial statements and footnotes. (See DOI's website for the most recent annual audited financial statement.) Reporting should include detailed support for each line item for audit purposes:
 - A. Statement of Net Position;
 - B. Statement of Changes in Net Position;
 - C. Schedule of Maturities – Schedule of all fixed income securities using actual maturity date except in the case of mortgage-backed securities which are to be based on expected average life, or as otherwise directed by DOI;
 - D. Schedule of Credit Ratings – Moody's equivalent ratings to be used as the reporting source for this report. In the event that a Moody's rating is not available, then S&P or Fitch will be utilized;
 - E. Schedule of Portfolio of Investments; and
 - F. Any other information required to be disclosed by applicable accounting standards or as may be required by DOI.
- Online access shall be provided to DOI for all data, including asset transaction histories and positions, as well as the reports described above.

3.8 PERFORMANCE MEASUREMENT AND ANALYTICS

The Contractor shall:

- Provide daily and monthly performance reports detailing market performance, portfolio performance, and any level of detail or any aggregate deemed necessary by DOI. These reports are to include current as well as historical data, i.e., three-, five-, and ten-year;

- Provide daily Contractor-audited reports by at least 7:00 AM the next business day; and
- Provide monthly audited core performance reports for the prior month's reporting cycle by the end of the 5th business day of the month.

The Contractor and DOI may mutually agree to a later delivery schedule for performance reports subject to availability of third-party information or substantive changes in the Fund's portfolio composition or structure.

- The Contractor shall transmit raw performance data, transactions data, rates of return, index returns for Fund benchmarks or any other information concerning the Fund's accounts to vendor(s) selected by DOI daily, monthly and any other frequency determined by DOI; and
- Upon request by DOI, the Contractor shall load and store all historical performance data into DOI's performance measurement and analytics system.

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3.9 COMPLIANCE MONITORING AND REPORTING

The Contractor shall:

- Provide a daily post trade compliance module that will test portfolio compliance with the State Investment Council regulations governing permissible investments (N.J.A.C. 17:16 – see [APPENDIX 3.9](#)) and internal portfolio guidelines and identify investment trades outside established policies, tolerances, and parameters based on available holdings information. The module should report compliance on all transactions on a T+1 basis. The process also requires notification of breaches to the DOI Designated Individual(s).
- Provide a formal investment guideline and policy review and gap analysis for each restriction, including:
 - Initial set of tests to meet DOI’s requirements;
 - Document gaps on rule matrix with explanation for any test that cannot be performed;
 - On-going assistance in creating new or modifying existing tests; and
 - Tracking of rule changes/updates to provide a record in rule matrix noting date of change and user.
- Provide the DOI Designated Individual(s) with access to an online compliance system that includes, but is not limited to, a detailed summary of all breaches, the cause(s) of the breach, alert and warning notifications, alert histories and a set of core compliance reports. The online system should provide easy access to the Fund compliance rule matrices, compliance results, and historical breach reports that can be downloaded to PDF or Excel format;
- Incorporate fail management capabilities in the compliance application. Those will include the ability to assign severities, breaches, and approvals for each alert. The application shall allow DOI Designated Individual(s) to check the status of each test (pass/fail/alert), review the breaches, assign breaches to individuals for follow-up, and record commentary or research results online. The tool should also incorporate graphical representations of alerts by age, group, severity, or status; and
- Assist in the identification of compliance requirements applicable to the Fund, including without limitation, requirements of new and existing laws and regulations (such as US or foreign securities laws and regulations, US or global market regulations, and tax withholding issues). The Contractor should provide alerts to the DOI Designated Individual(s) when designated reporting thresholds for securities holdings have been exceeded, and should assist DOI in filing necessary forms, including those required by US and foreign security exchanges and regulators and US and foreign tax administrators.

3.10 CONVERSION

Should this RFP search result in the selection of a new custodian, the Contractor shall perform all procedures necessary to convert from the current contractor’s (State Street Bank and Trust Company) system to the new Contractor’s system of record, including, without limitation:

- Presenting to DOI a detailed plan for, as well as schedule of, the transition from the current contractor to the new Contractor. The conversion of assets must take place no later than six months after contract award. The plan and schedule must include the timing of each phase of the transition as well as the proposed involvement of the Contractor’s employees in the process, the level of involvement anticipated from DOI’s employees and the proposed involvement of the current contractor in the transition process;
- Implementing a period of at least two (2) weeks of parallel processing with the current vendor;
- Transferring the Property and reconciling custody positions to the prior contractor’s records, researching all reconciling items to the satisfaction of DOI, and correcting all position

discrepancies. The beginning balances posted to the Contractor's systems shall be derived from the prior contractor's records, including the cost basis of securities. To complete close-out of transactions in process, suitable and mutually agreed arrangements shall be made between the Contractor, DOI, and the current contractor for processing of such transactions received subsequent to the effective date of conversion;

- Importing appropriate data from the prior custodian in order to calculate the Fund's performance on a fiscal-year-to-date basis for the Fiscal Year immediately preceding the award of the contract;
 - Adequately testing all interfaces, including, but not limited to, those to DOI, pricing services, third-party record keepers and service providers, and others prior to conversion as mutually agreed;
 - Setting up accounts in accordance with the account schematic and instructions provided by DOI. The current format is xxxxxxxx-131 for State Participants and xxxxxxxx-171 for Other-than-State Participants (9 numeric characters, followed by -131 or -171), and must be maintained by the Contractor. The Contractor shall review and confirm with the Fund that accounts have been set up properly prior to parallel processing;
 - Maintaining the appropriate individual accounts, using existing account numbers, for the current participant accounts; and
 - Providing DOI with a complete list of required documentation to establish a relationship with the Contractor satisfying all internal and market requirements, including signature ready documents.
- Upon termination of this contract, the Contractor shall cooperate fully with the successor contractor to facilitate the conversion from the Contractor's system to the successor's system. Conversion tasks shall include, but not be limited to, the following:
 - Provide to DOI and the successor contractor any information about the Contractor's system as may reasonably be needed by the successor contractor to prepare for and effect the conversion. Such information might include data formats, data element definition, update frequencies, etc. The Contractor shall not be expected to provide proprietary information about its internal systems;
 - Provide to the successor contractor a copy of all Fund data in a mutually agreed form and format for test purposes;
 - On the effective date of the conversion from the Contractor to the successor contractor, the Contractor shall provide a complete final copy of all current Fund files to the successor contractor. To complete close-out of transactions in process, suitable and mutually agreed arrangements shall be made between the Contractor, DOI, and the successor contractor for processing of such transactions received subsequent to the effective date of termination;
 - Transfer all Property to the successor contractor and make a continued effort to collect and forward amounts due the Fund in a timely manner and coordinate with the successor contractor on any outstanding claims; and
 - Provide the successor contractor a minimum of seven (7) years of historical account data.

3.11 OTHER SERVICES AND RESPONSIBILITIES

3.11.1 ADMINISTRATIVE RESPONSIBILITIES

The Contractor shall:

- Provide for certain administrative responsibilities including, but not limited to: (a) maintaining a complete file of all participant applications and related resolutions which authorize investment in the Fund by each participating entity and confirming that each account change is executed by the designated person; (b) providing sufficient personnel and telephone access to handle the flow of transactions in a prompt and orderly fashion; (c) promptly executing all instructions from participants in the Fund including wire transfers; and each day by telephone, no later than 1:15 PM, provide DOI the balance in the Fund inclusive of all transactions provided in Section 3.7.1; or by 12:00 PM (noon) on days with an early close;
- Provide an overnight investment account (cash sweep vehicle) or interest-bearing checking account for any monies that may be available and not invested on the afternoon of any day. The underlying investments in the cash sweep vehicle must be in conformity with the permissible investments as set forth in the SIC regulations (see [APPENDIX 3.9](#)). The cash sweep vehicle must be approved by DOI in advance.
- Maintain a list of approved personnel for each Other-than-State participant account permitted to direct transactions, change banking account information and take other administrative actions for each account.
- Provide to DOI an Organization Contact list containing contact names, United States Postal Service addresses, e-mail addresses, US-based telephone numbers and US-based facsimile numbers, as necessary, for personnel and departments with functionality to the Fund. This list shall be updated when changes to personnel occur and as otherwise necessary.

3.11.2 COMMUNICATION BETWEEN THE CONTRACTOR AND THE OTHER-THAN-STATE PARTICIPANTS

- All communication with the Other-than-State Participants regarding wires or statements is handled directly by the Contractor after the initial startup information is concluded between DOI and the Contractor. Once the participant accounts are established, the Contractor shall provide all necessary personnel and facilities for communication with the participants regarding contact information, instructions regarding withdrawals, contributions and transfers, and other related information;
- The Contractor shall notify the participants by mail regarding account information and wiring instructions upon award of the Contract, as well as carry out any future mailings as may be required. The Contractor shall maintain, at minimum, a mailing address for each participant. The Contractor shall, to the extent practicable, maintain at least one e-mail address for each participant and one phone number. This e-mail address should be identifiable to the participant's legal identity. Any mailings directed to all participants, whether via postal mail or electronic mail, shall be approved by DOI in advance.
- Each participant provides specific instructions for all cash movements between the Fund and participant's own bank and bank account. All prearranged receiving bank accounts for the individual participant's funds shall be verified by the Contractor. If the Contractor's system is not able to automatically verify authorizations, then the Contractor shall manually verify the authenticity of a request by checking the original agreement. Money may only be wired to authorized bank accounts. Participants are permitted to use multiple receiving bank accounts;

- The Contractor shall convert and maintain the Fund's current toll-free telephone number and provide sufficient staffing levels at US based call centers to be available from 7:30 AM to 4:00 PM, Monday to Friday, to handle inquiries concerning participant accounts and respond timely to the participants' request for withdrawals from, contributions to, or transfers between their accounts. All requests for contributions, withdrawals, or transfers shall be handled and recorded promptly and accurately to ensure that each participant has a correct balance each day;
- At various times, the State may request address labels and/or e-mail addresses for mailing information directly to the participants. The Contractor's systems shall be capable of providing address labels upon request; and
- When sending documentation with sensitive information, the Contractor shall have available the means to send and receive documentation via secured e-mail and facsimile, including e-mail or secured e-mail sent from DOI and Other-than-State Participants.
- The Contractor shall process participant requests for modifications to existing accounts, including but not limited to account name changes, address changes and banking information for wiring outgoing funds. The Contractor must process any requested changes as ordered by the participant. The Contractor should consider enabling each participant to modify its own accounts via participant online access.

3.11.3 STAFFING

The Contractor shall:

- Make appropriate personnel available to meet with DOI staff on site, at dates and times determined by DOI, at least quarterly, or more frequently if required by DOI, to discuss services related to DOI's needs;
- Have a relationship management protocol in place which assures the appropriate escalation of issues and special projects within the context of DOI's relationship;
- Provide a dedicated group of appropriate staff, resources, and technical expertise to meet the scope of services requested in this RFP. Staff selected to meet minimum qualification requirements shall be selected and introduced to the evaluation team during this procurement process. Any changes to the dedicated client servicing team must be approved by DOI;
- Make appropriate personnel available to reconcile, communicate and provide resolution with all staff and/or agents of the DOI as required;
- Provide DOI with group e-mail and primary contact information (name, phone number) for at least 2 backup persons. This list shall be updated and provided to DOI upon any contact information change; and
- Provide DOI with a United States based contact for all daily communication for the Fund, and provide DOI with United States based phone numbers for direct contact.

3.11.4 LITIGATION SUPPORT

Provide testimony in connection with any litigation resulting from work done as part of the Contract when requested by the Director.

3.12 IMPORTING TRANSACTION DATA

The Contractor shall import, in a mutually agreed upon format, transaction data from DOI's book of records (currently State Street Bank) from July 1, 2024 until the date the contract is effective in order to produce trial balances and financial statements for the Fiscal Year. The Contractor shall provide a price for this optional service on the Price Schedule to this RFP

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4.0 PROPOSAL PREPARATION AND SUBMISSION

4.1 PROPOSAL PREPARATION - GENERAL

- 4.1.1 IN ORDER TO BE CONSIDERED, A PROPOSAL MUST ARRIVE AT DOI IN ACCORDANCE WITH THE DEADLINES ON THE RFP COVER PAGE. BIDDERS ARE CAUTIONED TO ALLOW ADEQUATE DELIVERY TIME TO ENSURE TIMELY DELIVERY OF PROPOSALS. LATE PROPOSALS SHALL BE INELIGIBLE FOR CONSIDERATION.
- 4.1.2 Bidders are advised to thoroughly read and follow all instructions contained in this RFP, including the deadlines on the RFP's cover page, in preparing and submitting its proposal.
- 4.1.3 Use of URLs in a proposal should be kept to a minimum and may not be used to satisfy any material term of an RFP. If a preprinted or other document included as part of the proposal contains a URL, a printed (or if a bid is submitted electronically, electronic) copy of the URL page shall be provided and will be considered as part of the proposal. Additional URLs on the copy of the URL page shall not be considered as part of the proposal unless a copy of those URL pages is also provided.

4.2 PROPOSAL SUBMISSION

Bidders must submit the following proposal copies to the address provided below.

DELIVER TO DOI at the following address:

VIA OVERNIGHT COURIER:

**Attn: CMF RFP
State of New Jersey
Department of the Treasury
Division of Investment
50 West State Street, 9th Floor
Trenton, NJ 08608**

VIA US Postal Service:

**Attn: CMF RFP
State of New Jersey
Department of the Treasury
Division of Investment
P.O. Box 290
Trenton, NJ 08625-0290**

- **One (1) complete ORIGINAL proposal**, clearly marked as the "ORIGINAL" proposal.
- **Two (2) complete and exact copies**, clearly marked "COPY."
- **Two (2) complete and exact "read only" ELECTRONIC copies** of the original proposal in PDF file format on portable USB drive to be viewable by State evaluators using Adobe Acrobat Reader software.
- **One (1) complete and exact "editable and writable" ELECTRONIC copy** of the original proposal in PDF file format on portable USB drive for redaction.

Copies are necessary in the evaluation of the proposal and for record retention purposes. A Bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. The Bidder should make and retain a copy of its proposal.

4.3 PROPOSAL ORGANIZATION

The Proposal should be submitted with the attachments organized in the following manner:

Volume 1

- Forms
- Price Sheet
- [State of New Jersey Security Due Diligence Third Party Information Security Questionnaire](#)

Volume 2

- Technical Quote

4.4 CERTIFICATIONS

4.4.1 NON-COLLUSION

By submitting a proposal, the Bidder certifies as follows:

- The price(s) and amount of its proposal have been arrived at independently and without consultation, communication or agreement with any other contractor, Bidder or potential Bidder.
- Neither the price(s) nor the amount of its proposal, and neither the approximate price(s) nor approximate amount of this 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.
- 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.
- 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.
- The Bidder, 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 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.

4.4.2 BUSINESS ETHICS GUIDE

The Treasurer has established a business ethics guide to be followed by State contractors in their dealings with the State. The guide provides further information about compliance with the Standard Terms & Conditions. The guide can be found at:

<https://www.nj.gov/treasury/purchase/pdf/BusinessEthicsGuide.pdf>

By submitting a proposal, the Bidder is automatically certifying that it has read the guide, understands its provisions and is in compliance with its provisions.

4.5 FORMS REQUIRED WITH PROPOSAL

4.5.1 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. Include the full contact information for the Bidder.

4.5.2 CUSTODY AGREEMENT

DOI and the Contractor shall enter into a Custody Agreement. Each Bidder shall submit its standard Custody Agreement with its proposal.

4.5.3 OWNERSHIP DISCLOSURE FORM

Pursuant to N.J.S.A. 52:25-24.2, in the event the Bidder is a corporation, partnership or limited liability company, the Bidder must disclose all 10% or greater owners by (a) completing and submitting the Ownership Disclosure Form with its proposal; (b) if the Bidder has submitted a signed and accurate Ownership Disclosure Form dated and received no more than six (6) months prior to the proposal submission deadline for this procurement, the Division 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, signed and submitted with the proposal; or, (c) a Bidder 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.

A Bidder's failure to submit the information required by N.J.S.A. 52:25-24.2 will result in the rejection of the proposal as non-responsive and preclude the award of a Contract to said Bidder.

4.6 ITEMS REQUIRED TO BE SUBMITTED PRIOR TO CONTRACT AWARD

The Bidder is required to submit the following items prior to contract award:

- I. New Jersey Business Registration (N.J.S.A. 52:32-44); You may register your business [HERE](#), or obtain a copy of Business Registration Certificate [HERE](#).
- II. [Disclosure of Investment Activities in Iran](#) (N.J.S.A. 52:32-55 et seq.)
- III. [MacBride Principles Form](#) (N.J.S.A. 52:34-12.2);
- IV. [Disclosure of Investigations and Actions Involving Bidder](#)
- V. [Source Disclosure Certification](#) (N.J.S.A. 52:34-13.2);
- VI. Proof of insurance as specified herein and in the State of New Jersey Standard Terms and Conditions;
- VII. [Two-Year Chapter 51/Executive Order 333 Vendor Certification and Disclosure of Political Contributions](#) (N.J.S.A. 19:44A- 20:13 et seq.);
- VIII. [Vendor/Bidder Certification and Political Contribution Disclosure Form Public Law 2005, Chapter 271 Certification](#);

- IX. Proof of compliance with New Jersey Affirmative Action requirements (N.J.A.C. 17:27-1.1 et seq.):
- New Jersey Affirmative Action Certificate;
 - Federal Affirmative Action Approval Letter; or
 - [Affirmative Action Employee Information Report \(New Jersey Form AA-302\)](#); and
- X. [Certification of Non-Involvement in Prohibited Activities in Russia / Belarus.](#)

As an alternative to uploading certain forms, the Bidder may complete several certifications electronically in **NJStart** on the “Terms and Categories” Tab within the Vendor Profile. Additionally, the Bidder may attach completed forms to the Vendor Profile. Refer to the Vendor Quick Reference Guides and Vendor Forms tabs on the [NJSTART website](#) for additional instructions.

With the award of this Contract, the successful Contractor(s) will be required to receive its payment(s) electronically. In order to receive payments via automatic deposit from the State of New Jersey, the Contractor must complete the EFT information within its NJSTART Vendor Profile.

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5.0 TECHNICAL PROPOSAL

IN THIS SECTION, THE BIDDER SHALL DESCRIBE ITS APPROACH AND PLANS FOR ACCOMPLISHING THE WORK OUTLINED IN SECTION 3.0 SCOPE OF WORK. THE BIDDER MUST SET FORTH ITS UNDERSTANDING OF THE REQUIREMENTS OF THIS RFP AND ITS ABILITY TO SUCCESSFULLY COMPLETE THE CONTRACT. THIS SECTION OF THE PROPOSAL SHOULD AT A MINIMUM CONTAIN THE INFORMATION IDENTIFIED BELOW, INCLUDING BIDDER'S ANSWERS TO THE QUESTIONS PRESENTED.

The questions below shall be included in the proposal followed by its corresponding answer. For convenience, the questions in this section are included as an MS Word attachment to this RFP.

5.1 OVERVIEW

Provide a summary statement of no more than three (3) pages stating why the Bidder's proposal is most able to provide the services listed herein to the DOI.

The summary should address the overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should demonstrate to the State that the Bidder understands the objectives that the Contract is intended to meet, the nature of the required work, and the level of effort necessary to successfully complete the Contract. It should also demonstrate that the Bidder's general approach and plans to undertake and complete the Contract are appropriate to the tasks and subtasks involved.

5.2 IMPLEMENTATION PLAN AND CONTRACT MANAGEMENT

- a. Provide a time table for implementation of the Contract beginning with the date of notification of contract award. At a minimum, this should address the timeframes for setup of all requirements of the Contract, which include, but are not limited to, participant accounts; online access for DOI employees and participants; daily communication; pre- and post- trade interfaces; reconciliations set-up and interfaces; compliance monitoring; and performance reporting.
- b. Describe the Bidder's plan to communicate with DOI including, but not limited to, communication with the DOI Designated Individual(s), status meetings and status reports.
- c. Describe the Bidder's plan to coordinate with DOI's vendors, including its order management system and portfolio analytics platforms.
- d. Describe the Bidder's plan for the use of subcontractor(s), if any, on this Contract. Emphasis should be on how any subcontractor identified will be involved in the mobilization and implementation plan.

5.3 ORGANIZATION

- I. Does the firm have a principal or branch office registered and operating in the State of New Jersey? If no, provide plans for the acquisition of such office space.
- II. Provide a copy of your standard custody agreement. Note that nothing in your standard custody agreement can be inconsistent with the provisions of this RFP or the Standard Terms & Conditions. To the extent that your standard custody agreement must be modified, please indicate that the proposed modifications have been reviewed and approved by your legal representative.
- III. Describe the levels and types of insurance coverage with respect to your custody business.
- IV. On average, over the last five years, what percentage of your profits (or your parent's profits, if applicable) has been contributed by your custody services?
- V. What percentage of your custody profits can be attributed to securities lending activity?
- VI. What specific investments have been made to improve your custody operations over each of the last three years? Please specify dollar amounts by year and by project.
- VII. What plans do you currently have to improve your custody product? Discuss the potential for service disruption as these improvements are implemented.
- VIII. Have you acquired any custody business from other institutions? If so, describe the business acquired and the status of the transition, including the number of clients retained and lost.
- IX. Describe your policies regarding confidentiality of client information.
- X. Describe any ongoing educational programs, client conferences, publications, internet access, or other means you provide to keep your clients informed of new industry practices, techniques and other trends.
- XI. Describe the external audit relationship and internal audit organization controls you have in place to assure that your custody service is provided in accordance with proper standards of care, regulatory requirements and contractual agreements in place.
- XII. Detail your efforts to comply with recent financial regulations and legislation. How will this affect future budgets for the master custody services?
- XIII. Provide a representative list of US institutional clients with assets over \$10 billion for whom you provide custody services. Include at least three, and up to five, references for large public, corporate, or sovereign wealth funds with similar complexity to the Fund, defined as follows: (a) multi-billion dollar cash pools; (b) over 10% of assets traded internally; (c) participant accounting; and (d) requiring a high level of client support.
- XIV. For each reference, provide the following information:
 - Name of client
 - Name of client contact, title, telephone number, e-mail address
 - Client type
 - Year hired
 - Asset size as of December 31, 2023
 - Percentage of assets traded internally
 - Whether DOI may contact the client
- XV. Provide client turnover information for custody clients (plan sponsors and investment managers) for each of the last three years (calendar or fiscal). Explain recent account losses.
- XVI. For each client gained, provide the following information:
 - Name of client gained
 - Client type
 - Date hired

- Assets gained (in \$ million)
- Whether DOI may contact the client

XVII. For each client lost, provide the following information:

- Name of client lost
- Client type
- Date hired
- Date terminated
- Assets lost (in \$ million)
- Whether DOI may contact the client

XVIII. Describe your new business goals and objectives for the next three years.

XIX. Provide a copy of your most recent Service Organization Control (SOC) report.

XX. Provide a copy of your most recent Form 10-Q and annual report.

XXI. What is the nature and size of any “off balance sheet items” in your annual report and identify the three greatest areas of risk exposure to the bank?

5.4 CREDIT AND OTHER RISKS

- Provide the information required in [APPENDIX 5.4](#) below regarding the organization’s capital and leverage ratios as of December 31, 2023.
- Provide your organization’s current short term and long term credit ratings by Moody’s, Standard & Poor’s, and Fitch.
- Describe the various types of insurance coverage and indemnification provided to protect clients. Each description should include:
 - Risk Coverage
 - Carriers
 - Levels
 - Limits
 - Deductibles
 - Expiration
- Are there any current organizational issues (i.e., mergers, acquisitions, personnel changes, business concerns, etc.) regarding your institution? Provide detail for the last three (3) years. Discuss your contingency planning in regard to potential consolidation with another custody provider.
- Is there any pending or threatened litigation against your organization? Is there any agency supervision? What has been your experience with regard to litigation or agency supervision over the past five years?
- Does your organization subcontract any of the services required by DOI? State the vendor name for each service, function or deliverable that is subcontracted.
- Please describe your business continuity and disaster recovery plans, including the location of offsite facilities. When was the most recent test done? Indicate the date and results of the last testing of such emergency plan(s) and continue to report immediately to DOI the results of any subsequent test through date of award.
- What will be the recovery time(s) and service level for critical custodial services in the case of a major disaster or continuity event?
- Provide a summary of the Bidder’s proposed solutions to market, legal and regulatory changes that the Bidder anticipates will occur during the term of the Contract.

5.5 PERSONNEL

- Provide details regarding the proposed staffing plan. Provide the number of clients serviced by each staff member. Include information regarding assigned backup staff.
- Describe how client relationships are serviced, including how responsibilities are allocated among client service professionals.
- Identify and describe the reporting structure/organizational structure of key service providers.
- List management personnel devoted exclusively to custody for US tax-exempt clients. Provide the following information:
 - Name and Title
 - Function
 - No. of Years with Custody Division
 - Years of Custody Experience
- On a separate attachment, include brief biographies for the key professionals.
- Include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.
- If you employ a team approach to client service, describe a typical team, its composition, the functions of each member, their experience, and client loads. How are new teams formed?
- For each of the categories listed below, provide the number of professionals dedicated to providing custody services to US based large institutional clients. Also provide a breakdown by office location. (Do not double-count and do not include professionals who constitute the Sub-custodian offices.)
 - Client Service
 - Report Generation
 - Data Collection
 - Systems
 - Accounting
 - Cash Management
 - Marketing
 - Other
- How many professionals involved in providing custody services to US based large institutional clients were hired and lost during each of the past three years? Organize your response according to the following categories: Client Service, Report Generation, Systems, and Other.
- Explain any significant personnel turnover including exceptional magnitude and key management personnel.
- How are custody managers compensated?
- Describe any additional compensation programs your firm has instituted to motivate custody personnel.

5.6 LOCATION

- Identify the location of the main offices of the Bidder.
- Identify the location of the office(s) of the Bidder from which services would be provided to the State of New Jersey.

5.7 ORGANIZATION CHARTS

Provide a contract organization chart, with names showing management, supervisory, and other key personnel to be assigned to the Contract.

5.8 FINANCIAL CAPABILITY OF THE BIDDER

- Please submit certified financial statements which include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent two calendar years or the Bidder's most recent two (2) fiscal years.
- Has the audit opinion on the Bidder's financial statements been "unqualified" or "unmodified" for the last three years? If not, please explain. Has the Bidder had a change in auditors over the last three years? If so, explain why.
- A Bidder may designate specific financial information as not subject to disclosure when the Bidder has a good faith legal/factual basis for such assertion. A Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the proposal. The State reserves the right to make the determination whether to accept the assertion.

5.9 ACCOUNTING AND AUDITING

- Describe in detail how you will comply with Section 3.1. Please provide a sample trial balance, sub-ledgers and participant account statements.
- Describe the statements that can be provided to DOI and to the Participants. Can transaction information be updated and viewed by a participant on the date of transaction?
- What audit checks are employed to confirm daily net asset values?
- Describe your ability to adhere to GASB and applicable FASB accounting requirements.
- List and provide samples of the standard reports (audited and unaudited) provided by your system. Note the frequency and time available for daily, monthly, quarterly, annual, and exception reports. When are they delivered (i.e., time of day or number of business days after the end of the relevant period)?
- Describe your process for providing reports customized to our specifications, both at the onset of the relationship and ongoing. Provide typical turnaround times for customized reporting requests. Is customization available to the end-user through ad hoc query tools?
- Please describe any recent or planned reporting enhancements.
- How many degreed accountants work in your trust/custody department and in what capacity?
- Provide an overview of your accounting system and the basis you use to record activity.
- Discuss your reporting capabilities including a listing of asset/liability, income/expense, and transaction categories available. Can new categories be added?
- What steps are taken to ensure the accuracy of your reports? What reconciliations are performed? Are reports reconciled before they are accessible by clients? If so, by whom?
- Describe the process you would use to reconcile data and resolve discrepancies. How are errors or differences corrected? What internal tolerances does your firm use to investigate and challenge pricing with your external sources?

5.10 TRADE SETTLEMENT

- Describe in detail how you will comply with Section 3.2.
- Indicate your pricing source(s) for each of the following. Also provide the quote time (i.e., New York, London, etc.) and the market(s) quoted for each.
- US Corporate Obligations
- US Treasury Obligations
- US Agency Obligations
- Canadian Obligations
- Commercial Paper

- Other permitted investments
- Confirm your ability to use alternate pricing sources based upon client direction. Describe how pricing disputes are resolved. Is the system able to incorporate and detect pricing issues such as:
 - Price variances from prior day based on user-defined rules
 - Exchange rate variances from prior day based on user-defined rules
 - Missing prices
 - NAV impact of price changes
 - Stale pricing
 - Auto-comparison of primary pricing sources to secondary/tertiary sources
- Do you have any restrictions as to the type of securities you will hold in safekeeping?
- How do you price securities that don't have CUSIPs/SEDOLs and/or other assets that are difficult to price?
- In what instances do you assign an internally generated security identifier and not utilize a market identifier? Provide details.

5.11 SETTLEMENT AND INCOME POLICIES

- Describe in detail how you will comply with Section 3.3. Please specify any exceptions.
- Discuss your specific operational procedures for settling purchases and sales, identifying any distinctions for a) different asset classes, b) physical and book entry, and c) actual settlement date and contractual settlement date processing.
- Describe your procedures for handling and resolving failed trades, and reporting pending and failed trades to the client.
- Provide in the chart, attached as [APPENDIX 5.11](#), the volume (number and market value) of US securities trades that you processed for the calendar year ending December 31, 2023, and the percentage of failed trades.

5.12 CASH MANAGEMENT

- Describe in detail how you will comply with Section 3.4.
- Describe your ability to reconcile cash on a daily basis.
- What cash sweep vehicles are available for short-term investments (i.e., STIF, Active Cash, Extended Maturity, etc.)? Please identify and describe investment policies and guidelines, including each of the following, where applicable:
 - Objectives and guidelines
 - OCC Reg 9 or SEC Rule 2a-7
 - Exposure limits
 - Credit quality
 - Duration
 - Maturity
 - Derivatives policy
 - Floating rate note policy
 - Quarterly investment performance net of fees - for the last five years
 - Total expense ratio, including management fees
- Have any of the short term investment vehicles available to Tax-exempt Funds and Public Funds above ever broken the \$1 (dollar or par) or experienced losses? Please explain.
- For each of the short term investment vehicles available, what are the current market values as of December 31, 2023? For each of the funds, what is the market value holding percentage controlled by the three biggest participants in the funds?
- Do you charge daily transaction costs for cash sweeps or 12-b1 fees?

- What is your daily overdraft policy? What is your schedule of charges for overdraft positions?
- Overdrafts can occur because of differing settlement standards, errors in trade processing and cash position monitoring, failure to communicate and reconcile daily, and/or a trade fail that emanates from the custodian. Do you automatically apply overdraft charges regardless of the party in error? Please describe your policy.
- Related to the question above, if custody related overdrafts occur, does the State have the right to receive reimbursement equal to what your overdraft charges would be on a daily basis that the overdraft position is open or unresolved? Please explain.
- What is the cut-off time for cash contributions received during the day and invested same day? What is the latest cut-off by sweep vehicle or fund? Please provide details.
- Do you have the capability to provide a cash availability projection report? How many days is the cash projection (i.e., 5 days, 10 days, 30 days, 60 days or 90 days)? Please provide details.

5.13 CORPORATE ACTIONS AND LITIGATION

- Describe in detail how your organization will comply with Section 3.5.
- How do you provide notification of voluntary and mandatory corporate actions including, but not limited to, mergers, acquisitions, tenders, warrants, puts, calls, and other non-scheduled redemptions, in a timely manner to DOI?
- Describe your litigation service (including class actions and bankruptcy) in detail.

5.14 REPORTING REQUIREMENTS

- Describe in detail how you will comply with Section 3.7. What reports are provided as part of your standard intra-day, daily, monthly, and fiscal year master custody accounting package? How quickly are they available and distributed at the end of each period? Please list and describe each report separately along with the date accessible by the client and provide examples of these reports.
- Describe the integration and reconciliation procedures performed regarding client or third-party information reported in the custody/accounting and performance systems.
- Confirm that your systems have the ability to capture and report the executing broker. Provide examples of such reports.
- Describe on-line editing, downloading and report writing capabilities. Describe what measures are taken to ensure the accuracy and timeliness of information available to your clients on-line.
- During what hours is the on-line system accessible by your clients?
- What internal procedures and controls exist to assure that the following information and data are reported correctly, accurately, and that transactions are authorized?
 - Trade settlement receipts and disbursements
 - Interest and dividend receipts
 - Income accruals and reversals
 - Cash transfers
- Describe any other online services that are included in your proposal outside the required Scope of Services. Indicate whether the services are available through an online platform.

5.15 PERFORMANCE MEASUREMENT AND ANALYTICS

- Describe your ability to meet the requirements set forth in Section 3.8. Describe any unique features of your performance system.
- Is there a dedicated performance and analytics group? Describe the group.
- Describe the performance attribution services(s) you offer, including their respective methodologies. Are

these performance attribution services included in your core services?

- Provide samples of reports required in Section 3.8, as well as screenshots of key aspects of your system's capabilities.
- What optional reports are available? How are special requests handled? Is your system flexible enough to accommodate tailored reporting requirements? Confirm that your system will be able to supply the required information for the daily unaudited reports by no later than 7:00 AM of the following business day and monthly audited reports by the 5th business day of the following month.
- Specifically describe by asset class how data is loaded into the system (i.e., electronically, manually, etc.) and the timing for loading (i.e., daily, weekly, monthly).
- Describe how the asset data moves from custody to accounting to performance to reporting and how the performance data and reporting would be made available to DOI. What reconciliation procedures are performed? Is the performance measurement system integrated with the accounting platform? Provide details.
- What models/hierarchies (i.e., sector/sub-industry; region/country, etc.) is performance available in? How flexible are these models? Can new models be constructed?
- Describe the process used to compute returns and produce reports. How is accuracy ensured? What audit checks are employed to confirm accounting records to the performance data? Indicate whether the system is internal or if you use an outside vendor's service. If you use outside vendors, list them.
- How many portfolios, by type, do you measure each quarter? For how many clients? What is the average portfolio size? Client size?
- What outside data sources are used in your performance reporting?
- Are your performance calculations consistent with CFA Institute standards for performance measurement?
- Describe in detail how your system treats cash flows in accounts for computing performance.
- What indices will you provide access to for benchmarking and building customized benchmarks? Can you create a customized index / blended benchmark for a particular account (e.g. DOI benchmark)? Provide a list of providers, if any, which will require DOI to enter into a separate license agreement.
- Does your system have on-line performance accessibility to the client? What information is available and how soon after the end of the month is it available? How is final audited information designated on the system?
- Confirm the firm's capability to backload returns and provide monthly, quarterly, calendar, and fiscal year-to-date, annual, one (1) year, three (3) year, five (5) year, ten (10) year, and since inception performance, in accordance with the requirements of Section 3.8.

5.16 COMPLIANCE MONITORING AND REPORTING

- Describe your compliance monitoring services in detail and how your organization will comply with the requirements of Section 3.9.
- Describe your rule programming process. Do you have a centrally managed compliance rule writing team or is it done by staff assigned to each client relationship?
- How do you work with new clients to adapt your system to their unique requirements?
- How long does it usually take to implement a new client of similar size and scope as the Fund?
- Can your compliance service conduct off-line manual tests if your on-line system is unable to conduct the test? Please indicate which tests your system can do on-line versus manual.
- Do you have the ability to identify new market regulations? Can you submit federal SEC filings, including Section 13(f) filings, and assist in reporting to the relevant agencies?

5.17 CONVERSION

- Describe your process for transitioning in new accounts. How much lead time do you require to proceed with the conversion? Provide a detailed conversion timetable for custody, accounting, compliance, and performance, assuming a start date of January 1, 2025 and a conversion date of April 1, 2025. Include in your plans the communication and planning process with third parties. Be specific about DOI's responsibilities and areas of involvement in the transition.
- Please describe your parallel processing plan during the conversion. What systems and process are truly paralleled in a test environment? How long does your firm recommend parallel processing?
- Has your transition team worked together before on a conversion over \$10 billion during the past two years? Please describe.
- Which professionals are dedicated to transitions?
- At what point is the permanent client service team brought in?
- When is a transition deemed complete? Who signs off on a completed transition?
- What are the critical tasks necessary to complete a successful transition? What time frames are associated with each task? Describe in detail how the transfer of assets and cash from the prior custodian will be conducted to control the risk of loss and ensure all assets are properly transferred and accounted for at both market and historical cost.
- Give a description of your last comparable conversion and include the details of specific problems that occurred and the solutions implemented.
- Provide up to three large fund references (not including the State of New Jersey), which preferably include at least one public fund, who were transitioned to your firm in the last three years.
- Provide up to three large fund references (not including the State of New Jersey), which preferably include at least one public fund, who were transitioned from your firm in the last three years.
- What professionals are dedicated to transitioning out lost accounts?
- Describe your process for transitioning out lost accounts.
- Describe your procedures for tracking and recording pending trades. How do you treat payables, receivables and accrued income in existence at the date of the transfer?
- 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?
- What are the anticipated areas of concern and heightened level of sensitivity during the conversion process? What should DOI be concerned about with respect to re-registration, accruals, etc.?

5.18 DATA PROCESSING

- Describe the effort within your organization to assure the integrity of the data transmitted to you by clients or participants.
- Indicate the location(s) of your administrative operations and computer facilities that support your custody operations.
- Describe your system hardware. Indicate how long the current equipment has been in use.
- Briefly discuss your backup and recovery capabilities and emergency arrangements.
- Describe significant system enhancement, changes and/or additions to the master custody system that have been implemented over the past two years. What system enhancements, changes and/or additions are being considered over the next two years?
- Describe fully your on-line system and programming support staff dedicated to maintenance and enhancement of the system.
- Do you share computers with other areas of the company or related entities (e.g., a parent company) or do you have a separate dedicated master custody facility?
- Describe your process for real-time file back-up and off-site storage for data and software, including back-up locations.
- Describe your emergency management/business continuation plan. In your description, please identify:
 - Alternative operating sites and the maximum time required to resume business operations.
 - The date of the last testing and a summary of results or lessons learned.
 - Where oversight authority for business continuity planning falls within the organizational structure.
 - Prioritization schemes for business recovery.
 - Any involvement with external business resiliency efforts (e.g. US Federal or international efforts).
 - Any independent evaluation of your business continuity program relative to your peers.

- How frequently and at what times of day does your custody platform interface with your accounting platform? How frequently and at what times of day does your accounting platform interface with your performance, compliance and other downstream platforms? If available, please provide a flow chart.
- How do you handle exception processing when a client requirement or deliverable forces you to deviate from the standard processing model? For example, how do you handle when a performance report needs to reflect accounting activity that may not be available at the normal time when data bridges from accounting to performance?

5.19 PRICE SCHEDULE

The Bidder must submit its pricing using the format set forth in the State-supplied [PRICE SCHEDULE PAGE 2](#) accompanying this RFP (see [APPENDIX 5.19](#)). Failure to submit all information required may result in the proposal being considered non-responsive. Each Bidder is required to hold its prices firm through award of the Contract and shall not increase such prices during the term of the Contract.

Proposal prices must be typed or written in ink. Any price change (including “white-outs”) must be initialed.

BIDDER MUST INCLUDE, AS A SEPARATE ATTACHMENT TO THE PRICE SCHEDULE, A SCHEDULE OF TRANSACTION FEES TO BE CHARGED TO DOI ([PRICE SCHEDULE – PAGE 1](#)). Transaction fees may include fees charged for wire transfers, book entries, and similar items. Any transaction fee that is not specifically identified in the Schedule of Transaction Fees shall not be charged to the State and the State shall have no obligation to pay any such unscheduled transaction fees.

6.0 TERMS AND CONDITIONS

6.1 ENTIRE AGREEMENT; PRECEDENCE OF CONFLICTING TERMS

- A. The Contract awarded, and the entire agreement between the parties, as a result of this RFP shall consist of the Custody Agreement, this RFP (including the Standard Terms & Conditions), any Addenda to this RFP, the Contractor's proposal, the Contractor's best and final offer, and DOI's Notice of Award.
- B. Unless specifically stated within this RFP, the Modifications and Changes to the Standard Terms & Conditions (as contained in Section 6.9) take precedence over the Standard Terms & Conditions accompanying this RFP.
- C. In the event of a conflict between the provisions of the Custody Agreement, this RFP (including the Modifications and Changes to the Standard Terms & Conditions), any Addenda to this RFP, the Standard Terms & Conditions, the Contractor's proposal, and the Contractor's best and final offer, the order of precedence from most controlling to least shall be the following: the Custody Agreement, any Addendum to the RFP, the RFP, the Standard Terms & Conditions, the Contractor's best and final offer, and the Contractor's proposal.
- D. Any other terms or conditions, not included with the Contractor's proposal and accepted by the State, shall not be incorporated into the Contract awarded. Any references to external documentation, including those documents referenced by a URL, including without limitation, technical reference manuals, technical support policies, copyright notices, additional license terms, etc., are subject to the terms and conditions of the Custody Agreement, this RFP and the Standard Terms and Conditions. In the event of any conflict between the terms of a document incorporated by reference, the terms and conditions of the Custody Agreement, this RFP and the Standard Terms and Conditions shall prevail.

6.2 TERM AND TERMINATION

The term of the resulting Contract will be for **five (5) years**. The term may be extended by up to **three additional one-year periods**, by the mutual written consent of the Contractor and the Treasurer, at the same terms, conditions, and pricing at the rates in effect at the end of the last year of the Contract or rates more favorable to the State.

DOI may terminate the Contractor for cause pursuant to the Standard Terms & Conditions. Failure to comply with any of the material Contract requirements shall constitute a "for cause" event. In the event of a "for cause" termination, the Contractor 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.

6.3 CONTRACT TRANSITION

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

6.4 AMENDMENT

Except as expressly provided herein, any changes or modifications to the terms of the Contract shall be valid only when they have been reduced to writing and signed by the Contractor and the Treasurer.

6.5 CONTRACTOR RESPONSIBILITIES

- A. The Contractor shall have sole responsibility for the complete effort specified in the Contract. Payment will be made only to the Contractor. The Contractor shall have sole responsibility for all payments due to any subcontractor.
- B. The Contractor may use any recognized Depository or Clearinghouse for the securities held in the Fund or may use other banks as Sub-custodians or Sub-fiscal Agents for these securities, provided that in every case the Contractor shall retain primary responsibility for these securities. If the Contractor delegates its responsibilities as Custodian or Fiscal Agent, or both, to a Sub-custodian or Sub-fiscal Agent, the Sub-custodian or Sub-fiscal Agent shall be responsible for the services delegated to it to the same degree as the Primary Custodian or Fiscal Agent and shall maintain accounting records and be otherwise held accountable to the same degree of fiduciary duty and responsibility as the appointing Primary Custodian or Fiscal Agent. Custodian shall not be relieved of its fiduciary Primary Custodian duties or responsibilities if it delegates its responsibilities as Custodian or Fiscal Agent, or both, to a Sub-custodian or Sub-fiscal Agent. Any use by the Contractor of a Sub-custodian or Sub-fiscal Agent shall in all cases be subject to the provisions of N.J.S.A. 52:18A-90.4 and other applicable State law.
- C. The Contractor 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 Contractor 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 Contractor 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 State may have arising out of the Contractor's performance of this Contract.

6.6 OWNERSHIP OF MATERIAL

- A. **State Data**
The State owns all data, including personal data and non-public data, created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, the Contractor's hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Contractor. The Contractor shall not obtain any right, title, or interest in such data, and any such data provided to the Contractor shall be delivered or returned to the State upon thirty (30) days' notice by the State or thirty (30) days after the expiration or termination of the Contract. Except as specifically required by the requirements of this RFP, such data shall not be disclosed, sold, assigned, leased or otherwise disposed of to any person or entity other than the State unless specifically directed to do so in writing by the DOI Contract Manager.
- B. **Work Product**
The State owns all deliverables developed for the State in the course of providing services under the Contract, including but not limited to, 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, 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 the Contract.

C. Custom Software

The State owns all custom software which shall be considered “work made for hire”, i.e., the State, not the Contractor, subcontractor, or third party, shall have full and complete ownership of all such custom software. To the extent that any custom software may not, by operation of the law, be a “work made for hire” in accordance with the terms of the Contract, the Contractor shall assign, or cause to be assigned, to the State all right, title and interest in and to any such custom software and any copyright thereof, and the State shall have the right to obtain and hold in its own name any copyrights, registrations and any other proprietary rights that may be available.

D. State Intellectual Property

The State owns all State intellectual property provided to Contractor pursuant to the Contract. State intellectual property shall be delivered or returned to the State of New Jersey upon thirty (30) days’ notice by the State or thirty (30) days after the expiration or termination of the Contract. The State grants the Contractor a non-exclusive, royalty-free, license to use State intellectual property for the purposes contemplated by the Contract. Except as specifically required by the requirements of this RFP, State intellectual property shall not be disclosed, sold, assigned, leased or otherwise disposed of to any person or entity other than the State unless specifically directed to do so in writing by the DOI Contract Manager. The State’s license to the Contractor is limited by the term of the Contract and the confidentiality obligations set forth in Section 6.7. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon Contractor any right, title, or interest in State Intellectual Property or any intellectual property that is now owned or licensed to or subsequently owned by or licensed by the State.

E. Vendor Intellectual Property

The Contractor retains ownership of all of the Contractor’s intellectual property, and any modifications thereto and derivatives thereof, that the Contractor supplies to the State pursuant to the Contract, and grants the State a non-exclusive, royalty-free license to use its intellectual property delivered to the State for the purposes contemplated by the Contract for the duration of the Contract including all extensions. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the State any right, title, or interest in any Vendor Intellectual Property that is now owned or subsequently owned by Contractor.

F. Third Party Intellectual Property

Unless otherwise specified that the State, on its own, will acquire and obtain a license to third party intellectual property, the Contractor shall secure on the State’s behalf, in the name of the State and subject to the State’s approval, a license to third party intellectual property sufficient to fulfill the business objectives, requirements and specifications identified in the Contract at no additional cost to the State. In the event the Contractor is obligated to flow-down commercially standard third party terms and conditions customarily provided to the public associated with third party intellectual property and such terms and conditions conflict with the requirements of this RFP, including the Standard Terms and Conditions, the State will accept such terms and conditions with the exception of the following: indemnification, limitation of liability, choice of law, arbitration, governing law, jurisdiction, and confidentiality. The Contract shall prevail with respect to such conflicting terms and conditions. The State will not accept any provision requiring the State to indemnify a third party or to submit to arbitration. Such terms are considered void and of no effect. Third party terms and conditions should be submitted with the Contractor’s Proposal. If the Contractor uses third party intellectual property, Contractor must indemnify the State for infringement claims with respect to the third party intellectual property. The Contractor agrees that its use of third party

intellectual property shall be consistent with the license for the third party intellectual property, whether supplied by the Contractor or by the State. Except as expressly set forth in the Contract, nothing in the Contract shall be construed as granting to or conferring upon the State any right, title, or interest in any third party intellectual property that is now owned or subsequently owned by a third party.

6.7 DATA CONFIDENTIALITY

- A. Confidentiality all financial, statistical, personnel, customer and/or technical data supplied by the State to the Contractor are confidential. The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data supplied by the State that is deemed confidential. Any use, sale, or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this Contract and may result in contract termination and the Contractor's suspension or debarment from State Contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution. The Contractor shall assume total financial liability incurred by the Contractor or any third party associated with any breach of confidentiality.
- B. **Applicable Laws**
Data usage, storage, and protection of Personal Data are subject to all applicable international, federal and state statutory and regulatory requirements, as amended from time to time, including, without limitation, those for HIPAA, Tax Information Security Guidelines for Federal, State, and Local Agencies (IRS Publication 1075), New Jersey State tax confidentiality statute, the New Jersey Privacy Notice found at NJ.gov, N.J.S.A. § 54:50-8, New Jersey Identity Theft Prevention Act, N.J.S.A. § 56:11-44 et. seq., the federal Drivers' Privacy Protection Act of 1994, Pub.L.103-322, and the confidentiality requirements of N.J.S.A. § 39:2-3.4. Contractor shall also conform to PCI DSS, where applicable.
- C. **Security Safeguards**
The Contractor agrees to take appropriate administrative, technical and physical safeguards reasonably designed to protect the security, privacy, confidentiality, and integrity of user information. The Contractor shall ensure that State Data is secured and encrypted during transmission or at rest.
- D. **Data Transmission**
The Contractor shall only transmit or exchange State Data with other parties when expressly requested in writing and permitted by and in accordance with requirements of the Contract or the State of New Jersey. The Contractor shall only transmit or exchange State Data with the State of New Jersey or other parties through secure means supported by current technologies.
- E. **Data Storage**
All data provided by the State of New Jersey or State data obtained by the Contractor in the performance of the Contract must be stored, processed, and maintained solely in accordance with a project plan and system topology approved by the DOI Contract Manager. No State data shall be processed on or transferred to any device or storage medium including portable media, smart devices and/or USB devices, unless that device or storage medium has been approved in advance in writing by the DOI Contract Manager. The Contractor must not store or transfer State of New Jersey data outside of the United States.
- F. **Data Re-Use**
All State 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 Contractor. No State Data 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 DOI Contract Manager.

G. Data Breach

In the event of any actual, probable or reasonably suspected Breach of Security, or any unauthorized access to or acquisition, use, loss, destruction, compromise, alteration or disclosure of any Personal Data, the Contractor shall: (a) immediately notify the State of such Breach of Security, but in no event later than 24 hours after learning of such security breach; (b) designate a single individual employed by the Contractor who shall be available to the State 24 hours per day, seven (7) days per week as a contact regarding the Contractor's obligations; (c) not provide any other notification or provide any disclosure to the public regarding such Breach of Security without the prior written consent of the State, unless required to provide such notification or to make such disclosure pursuant to any applicable law, regulation, rule, order, court order, judgment, decree, ordinance, mandate or other request or requirement now or hereafter in effect, of any applicable governmental authority or law enforcement agency in any jurisdiction worldwide (in which case the Contractor shall consult with the State and reasonably cooperate with the State to prevent any notification or disclosure concerning any Personal Data or Breach of Security); (d) assist the State in investigating, remedying and taking any other action the State deems necessary regarding any Breach of Security and any dispute, inquiry, or claim that concerns the Breach of Security; (e) follow all instructions provided by the State relating to the Personal Data affected or potentially affected by the Breach of Security; (f) take such actions as necessary to prevent future Breaches of Security; and (g) unless prohibited by an applicable statute or court order, notify the State of any third party legal process relating to any Breach of Security including, at a minimum, any legal process initiated by any governmental entity (foreign or domestic).

H. Minimum Necessary Information

The Contractor shall ensure that State Data requested represents the minimum necessary information for the services as described in this RFP and, unless otherwise agreed to in writing by the State, that only necessary individuals or entities who are familiar with and bound by the Contract will have access to the State Data in order to perform the work.

I. End of Contract Data Handling

Upon termination/expiration of the Contract, the Contractor shall first return all State Data to the State in a usable format as defined in the Contract, or in an open standards machine- readable format if not. The Contractor shall then erase, destroy, and render unreadable all Contractor backup copies of State Data according to the standards enumerated in accordance with the State's most recent Media Protection policy: https://www.nj.gov/it/docs/ps/NJ_Statewide_Information_Security_Manual.pdf and certify in writing that these actions have been completed within 30 days after the termination/expiration of the Contract or within seven (7) days of the request of an agent of the State whichever should come first.

J. Loss of State Data

In the event of loss of any State Data or records where such loss is due to the intentional act, omission, or negligence of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by the DOI Contract Manager. The Contractor shall ensure that all State Data is backed up and is recoverable by the Contractor. In accordance with prevailing federal or state law or regulations, the Contractor shall report the loss of State Data.

6.8 SECURITY STANDARDS

- A. Contractor 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. Contractor shall maintain network security that conforms to current standards set forth and maintained by the National Institute of Standards and Technology (NIST), including those at: <http://web.nvd.nist.gov/view/ncp/repository> or any recognized comparable security standard that Contractor then applies to its own infrastructure. Industry standards such as ISO 27002, PCI Data Security Standard and ISF Standard of Good Practice, align with security best practices from SANS and CISecurity.
- B. Contractor shall protect and maintain the security of data in accordance with generally accepted industry practices.
- C. Data usage, storage, and protection is subject to any applicable federal and state regulatory requirements.
- D. Contractor shall only transmit or exchange DOI data with other parties when expressly requested or permitted (as the case may be) in writing by the DOI Designated Individual(s) and only in accordance with written requirements of DOI. Contractor shall only transmit or exchange data with DOI or other parties through secure means supported by current technologies.
- E. 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.
- F. All DOI-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 Contractor. No DOI-provided data of any kind shall be transmitted, exchanged or otherwise passed to other contractors or interested parties (other than to another DOI custodian) except on a case-by-case basis as specifically agreed to in writing by the DOI Designated Individual(s).
- G. Contractor 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 Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), Contractor shall assume responsibility for informing the DOI 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 DOI), its officials, and employees from and against any claims, damages, or other harm related to such Notification Event.

6.9 MODIFICATIONS AND CHANGES TO THE STANDARD TERMS & CONDITIONS

The Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions (Revised January 11, 2022) shall not apply to this procurement.

Section 4.2 of the Standard Terms & Conditions regarding insurance is modified with the addition of the following sections regarding insurance:

"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 \$10,000,000 and in such policy forms

as shall be approved by DOI. 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.

Contractor shall maintain, for the duration of the contract resulting from this RFP, a Banker's Blanket Bond or similar insurance at adequate levels (at least \$100,000,000 or such greater amount as the Treasurer or DOI Designated Individual(s) and Contractor deem adequate), with respect to which the State would be a beneficiary, that provides standard fidelity and non-negligent loss coverage with respect to all Property held for the Fund. Contractor shall notify DOI promptly of any cancellation or change of coverage, and at least annually, Contractor shall provide to DOI in writing a general description of the coverage in effect under such bond or similar insurance including a statement of the amount of coverage then in effect.

Contractor shall maintain security and privacy liability insurance coverage in the amount of \$5 million to cover losses alleging breaches of privacy rights, infringement or misappropriation of intellectual property, employment discrimination, violations of obscenity laws, the spreading of computer viruses and defamation. In addition, the coverage shall include event management/crisis management liability insurance in the amount of \$1 million."

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7.0 PROPOSAL EVALUATION AND AWARD

7.1 RIGHT TO WAIVE

The State reserves the right to waive minor irregularities or omissions in a bid proposal. The State also reserves the right to waive a requirement provided that:

- the requirement is not mandated by law;
- all of the otherwise responsive proposals failed to meet the requirement; and
- in the sole discretion of the State, 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

The State reserves the right to reject any or all proposals, or to award in whole or in part, if the State deems it to be in the best interest of the State to do so. Notice of such a rejection shall be posted on the DOI website, <https://www.nj.gov/treasury/doinvest/rfp.shtml>.

7.3 RIGHT TO INSPECT BIDDER'S FACILITIES

The State reserves the right to have one or more employees, Selection Committee members and/or Selection Committee technical advisors inspect the Bidder's establishment before an award is made, for the purposes of ascertaining whether the Bidder has the necessary facilities for performing the Contract.

7.4 RIGHT TO REQUEST FURTHER INFORMATION FROM BIDDER, CLIENTS

The State reserves the right to request all information which may assist the Treasurer in making a contract award, including factors necessary to evaluate the Bidder's financial capabilities to perform the Contract.

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

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

7.5 SELECTION COMMITTEE

Proposals shall be evaluated by a Selection Committee composed of members of DOI staff and/or other State employees. The Director may also recommend technical advisors, including DOI staff and/or other State employees, consultants, and/or attorneys to assist the Selection Committee.

7.6 ORAL PRESENTATIONS AND/OR DEMONSTRATIONS

- A. After the submission of proposals, unless requested by DOI as noted below, contact between DOI staff and any Bidder or its employees/representatives regarding the RFP is still not permitted.
- B. 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.
- C. 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.
- D. It is within the Selection Committee'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.

7.7 EVALUATION CRITERIA

- A. 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.
- B. The following evaluation criteria categories 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:
 - i. The qualifications and experience of the Bidder's management, supervisory, or other key personnel assigned to the Contract, with emphasis on documented experience in successfully completing work on contracts requiring services of similar size and scope.
 - ii. The Bidder's documented experience in successfully completing contracts requiring services of similar size and scope to the work required by this RFP.
 - iii. Ability of the Bidder to mobilize, undertake and successfully complete the services required by this RFP.
 - iv. Total proposal price located on the Price Schedule – Page 2 accompanying this RFP, including consideration of the transaction costs listed on Price Schedule - Page 1.

7.8 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 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 Director shall determine whether any intended confirmation is a modification or amendment.

If any other obvious pricing error is found, the Director shall issue 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 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 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 Director shall determine whether any intended clarification is a modification or amendment.

7.9 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

- A. After evaluating proposals, DOI 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. Multiple rounds of negotiations may be conducted with one Bidder or multiple Bidders. Negotiations will be structured by DOI to safeguard information and ensure that all Bidders are treated fairly.
- B. Similarly, DOI may invite one (1) Bidder or multiple Bidders to submit a best and final offer (BAFO). Said 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 non-responsive and DOI will revert to consideration and evaluation of the Bidder's original pricing.
- C. If required, after review of the BAFO(s), clarification may be sought from the Bidder(s). DOI may conduct more than one round of negotiations and/or BAFO(s) in order to attain the best value for the State.
- D. **Negotiations will be conducted only in those circumstances where they are deemed by DOI or the Director to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price proposal in response to this RFP since the Treasurer may, after evaluation, make a contract award based on the content of the initial submission, without further negotiation and/or BAFO with any Bidder.**

7.10 RECOMMENDATION FOR AWARD

- A. After evaluation of proposals and as applicable, negotiation(s) and/or BAFO(s), the Selection Committee will recommend to the Director the responsible Bidder(s) whose proposal(s), conforming to the RFP, is/are most advantageous to the State, price and other factors considered. The Director shall submit the report and negotiated agreements, along with the Director's recommendations, to the Treasurer. The Treasurer may accept, reject or modify the recommendations of the Selection Committee and the Director.
- B. 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 Director's and Treasurer's award recommendation will remain confidential.

8.0 FINAL CONTRACT AWARD

8.1 AWARD OR REJECTION OF PROPOSALS

Contract award shall be made with reasonable promptness by written notice to that responsible Bidder, whose proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. Any or all proposals may be rejected when the Treasurer determines that it is in the public interest to do so.

8.2 NOTICE OF INTENT TO AWARD; PROTESTS

The Director shall post a Notice of Intent to Award on the DOI website. In the event that the Treasurer determines that all proposals shall be rejected or no award shall be made, the Director shall post a notice of such determination on the DOI website at <https://www.nj.gov/treasury/doinvest/rfp.shtml>.

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, DOI shall notify all interested parties.

Protests must be submitted to the Director, and must concern one or more of the following:

- A) Rejection of the Bidder's proposal for failing to meet the minimum requirements listed in Section 1.3. Such protest may not challenge the validity of the requirements but rather may assert that its proposal complied with such requirements; and/or
- B) Notice of intent to award contract(s) to another Bidder as part of the same procurement.

A protest shall contain the following:

- A) Identification of the particular procurement;
- B) 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
- C) A statement as to whether the protester requests an opportunity for an in-person presentation and the reason(s) for the request.

The Treasurer or his or her designee has sole discretion to determine if an in-person presentation by the protester is necessary to reach an informed decision on the protest. In-person presentations are fact-finding for the benefit of the Treasurer or his or her designee, who has the discretion to limit attendance at an in-person presentation to those parties likely to be affected by the outcome of the protest.

The Treasurer or his or her designee 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 protesting 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 State to resolve the protest against the Bidder submitting the protest. The Treasurer or designee may also consider relevant information requested and received from other parties as he or she deems appropriate.

The Treasurer may disregard any protest not containing all of the items set forth above or filed after the 10-day protest period.

The determination of the Treasurer's designee, if any, shall be in the form of a written report to the Treasurer, which shall not be binding on the Treasurer. The protest shall be resolved by final written decision of the Treasurer based on the Treasurer's review of the written report of the Treasurer's designee, if any, and/or 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 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 17:27. Final agency determinations by the Treasurer on protests are appealable to the Appellate Division of the Superior Court of New Jersey.

APPENDIX 3.6

FEED REQUIREMENTS

Custodian must be able to provide an outgoing feed of all participant activity as described below:

- Custodian will utilize designated secure transport system to send a customized raw flat file.
- Custodian will utilize specified ID and Folder.
- All cash transactions (original and reversals/cancellations) for the following transaction type codes will be sent via the Custodian flat file created for this process and be designated as: TFI, TFO, EXI, EXO, DST, PUR and LIQ.
- Custodian will not provide header or trailer records. Only detail records will be provided.
- Custodian will look to get ACK/NAK files back (non-report style).
- Custodian will not send empty files. They will only send files when there is activity to be processed.
- Custodian will participate in all testing required to ensure feed is transporting information accurately.
- Custodian will provide the following fields in their customized file format/raw file (see next page):

DETAIL RECORD			
SSC Field Name	Requirement	Size	Format
Company	NA		NA
Fund	NA		NA
Fund Number ("Account" field on raw file)	All Transactions	X(8)	
Transaction Type Indicator ("TranCode" field on raw file)	All Transactions	X(5)	One of the following values is expected: TFI, TFO, EXI, EXO, DST, PUR and LIQ
Reversal	NA		NA
Settlement Date ("PostDate" on raw file)	All Transactions	X(8)	YYYYMMDD
Trade Date ("TradeDate" field on raw file)	All Transactions	X(8)	YYYYMMDD
Settlement Amount ("Gross" field on raw file)	All Transactions	9(16)	2 Decimal Places
Quantity of Security or Number of Derivative Contracts ("Quantity" field on raw file)	All Transactions	9(16)	3 Decimal Places
Transaction Reference Number ("Transaction Ref Number" field on raw file)	All Transactions	X(16)	
Related Transaction Reference Number (Related Transaction Ref #" field on raw file)	Conditional	X(16)	Required for Cancellations, TBAs, and Repos.

APPENDIX 3.9

N.J.A.C. 17:16-61

SUBCHAPTER 61. STATE OF NEW JERSEY CASH MANAGEMENT FUND

17:16-61.1 General provisions

(a) Pursuant to chapter 270, P.L. 1970, as amended and supplemented by chapter 281, P.L. 1977, there is hereby created in the Division a common trust fund, to be known as the State of New Jersey Cash Management Fund.

(b) The surplus public moneys of the State, its counties, municipalities and school districts and the agencies or authorities created by any of these entities may be deposited in the State of New Jersey Cash Management Fund.

17:16-61.2 Permissible investments

The Director may invest the assets of the State of New Jersey Cash Management Fund in fixed-income and debt securities permitted under this chapter.

17:16-61.3 Units of participation

(a) The State of New Jersey Cash Management Fund shall be composed of units of participation of unlimited quantity. Each unit of participation shall represent an equal beneficial interest in the fund and no unit shall have priority or preference over any other. Each unit of participation shall be valued at the net asset value per unit as is set forth in N.J.A.C. 17:16-61.5.

(b) All units of participation in the State of New Jersey Cash Management Fund held by State funds, representing net capital contributions to the fund together with any income thereon, shall be evidenced by proper entries setting forth ownership units in the records of the Bureau of Accounting, Division of Budget and Accounting within the Office of Management and Budget, Department of the Treasury. Aggregate participation of other entities shall also be evidenced by proper entries in the records of the Bureau of Accounting, Division of Budget and Accounting within the Office of Management and Budget, and their individual participation shall be evidenced by proper entries in the records of the Division and of the custodian bank.

(c) All units of participation shall be purchased by cash payments. All units shall be purchased by the participating fund for the unit valuation price determined by this subchapter.

17:16-61.4 Valuation of investments

(a) Upon each valuation date, as provided in (b) below, there shall be a valuation for every investment in the State of New Jersey Cash Management Fund.

(b) The valuation of investments shall be determined at the opening of business on each business day, and shall be based on the assets as of the close of the previous business day.

(c) The valuation of investments shall be made in accordance with applicable accounting standards, using recognized industry pricing sources.

17:16-61.5 Valuation of units

(a) The following method shall be used in determining the income value per unit:

1. Net income available for distribution shall equal the sum of daily interest income, daily discount income, realized gain on sales, and amortized discount, from which sum shall be deducted the sum of realized loss on sales, amortized premium and total daily expenses. Such net income available for distribution shall then be divided by the number of outstanding participating units to determine the daily income per unit of participation.

2. In the case of participating funds of counties, municipalities, school districts and agencies or authorities created by either such entities or the State (the "Other-than-State Funds"), daily income per unit of participation shall be further reduced by both a charge to establish a reserve and a charge for administrative expenses.

3. The charge to establish a reserve shall be in the sum of up to and not to exceed one-tenth of one percent per annum of the aggregate value of the units owned by the Other-than-State Funds, and the daily income per unit of participation owned by such Other-than-State Funds shall reflect their pro rata share of such sum. The reserve fund shall be a participating fund in the State of New Jersey Cash Management Fund and shall be credited with and will retain daily income per unit of participation in the manner of participating State funds. In the event of a loss occasioned by the bankruptcy of an issuer of a security held by the State of New Jersey Cash Management Fund, or a loss realized upon the sale of a security, such loss will be shared pro rata by all participants in the Fund, but the assets of the reserve fund will be applied pro rata in a manner approved by the Council to that portion of the loss accruing to the "Other-than-State Funds." In no event will the application of the assets of the reserve fund exceed the loss accruing to the Other-than-State Funds; and no State funds will share in the disposition of the assets of the reserve fund.

4. Similarly, the Other-than-State participants' pro rata share of any gains realized upon the sale of securities by the Fund should be credited to the reserve fund. The charge for administrative expenses shall be in the sum of up to and not to exceed one-tenth of one percent per annum of the aggregate value of the units owned by the Other-than-State Funds, and the daily income per participating unit owned by such Other-than-State Funds shall reflect their pro rata share of such sum. The charge for administrative expenses shall be paid into a fund whose assets shall be at the disposal of the Treasurer.

5. The method of calculation of each of the above terms will be in accordance with an agreement between the Treasurer and the custodian bank.

6. The aggregate of daily income per unit of participation on total units owned by each participant will be reinvested automatically in additional units at a price of \$ 1.00 per unit and such new units will be credited to the respective accounts of all of the participants in proportion to their holdings of units of participation

immediately prior to the determination of net income available for distribution. In the reinvestment of aggregate daily income as described above, fractional units may be issued representing fractions of a dollar, but no units will be issued representing fractions of one cent, nor will cash dividends be transmitted. Participating funds may obtain cash by redemption of units in accordance with N.J.A.C. 17:16- 61.6.

(b) The net asset value per unit of participation shall remain at \$1.00, except only in an instance where net income available for distribution might be negative, in which case the net asset value per unit would be reduced by each participant's proportionate share of such negative amount.

17:16-61.6 Admission and withdrawal

(a) Admission to or withdrawal from the fund shall be permitted on any business day. Admissions prior to such time as may be established by the Director from time to time will receive credit for net income available for distribution for such day if such admissions remain in the fund through the close of such day. Withdrawals from the fund will receive credit for net income available for distribution only as of the close of the day next preceding such withdrawal.

(b) All admissions and withdrawals will be made in cash.

17:16-61.7 Amendments

This subchapter may be amended from time to time by the Council. Any amendment adopted by the Council shall be binding upon all participating funds, trusts and beneficiaries thereof.

17:16-61.8 (Reserved)

17:16-61.9 Limitations

All investments held by the fund shall mature or are to be redeemed within one year, except that up to 25 percent of the fund may be invested in eligible securities which mature within 25 months; provided, however, that the average maturity of all investments held by the fund shall not exceed one year.

17:16-61.10 Liquidation

(a) The Director, subject to the approval of the Council and the Treasurer, may, upon two months' notice liquidate the State of New Jersey Cash Management Fund, including the reserve fund.

(b) In the event of such liquidation, the owners of the units shall share proportionately, according to units owned, in each investment held by the State of New Jersey Cash Management Fund, and the Other-than-State funds shall share proportionately in the reserve fund.

(c) When such proportionate distribution is impracticable in the judgment of the Director, he or she may instead distribute on liquidation, cash or temporary investments held by the State of New Jersey Cash Management Fund.

(d) Distribution upon liquidation shall occur within five days after a valuation date and shall be based upon the unit value determined upon such valuation date.

(e) No liquidation will be effected without the approval by the Council of a plan of distribution of the assets of the State of New Jersey Cash Management Fund, including the assets of the reserve fund.

17:16-61.11 (Reserved)

17:16-61.12 (Reserved)

17:16-61.13 (Reserved)

17:16-61.14 (Reserved)

APPENDIX 5.4

Capital Base as of December 31, 2023

Capital Requirements	Current Ratios	Current Requirements
Tier 1 Capital Ratio		
Total Capital Ratio		
Leverage Ratio		

APPENDIX 5.11

Purchases:

Trades	Volume (Number)	Total Market Value in US\$ millions	Fail Rate (%)
Commercial Paper			
Certificates of Deposit			
United States Treasuries			
Other			
Total			

Sales:

Trades	Volume (Number)	Total Market Value in US\$ millions	Fail Rate (%)
Commercial Paper			
Certificates of Deposit			
United States Treasuries			
Other			
Total			

APPENDIX 5.19

PRICE SCHEDULE – PAGE 1

The Bidder should complete all pages of this Price Schedule. The Bidder should not leave cells blank, but rather utilize “N/C” (No Charge) if applicable.

Refer to Section 3.0 Scope of Work for task requirements and deliverables and Section 5.19 Price Schedule for additional information regarding this Price Schedule.

BIDDER MUST INCLUDE, AS A SEPARATE ATTACHMENT TO THIS PRICE SCHEDULE, A SCHEDULE OF TRANSACTION FEES TO BE CHARGED TO DOI (PRICE SCHEDULE PAGE 1). Transaction fees may include fees charged for wire transfers, book entries, litigation support and similar items. Any transaction fee that is not specifically identified in the Schedule of Transaction Fees shall not be charged to the State and the State shall have no obligation to pay any such unscheduled transaction fees.

PRICE SCHEDULE – PAGE 2

Refer to [RFP Section 3.0](#) (Scope of Work) for task requirements and deliverables

Services to be Performed	Year One Fees	Year Two Fees	Year Three Fees	Year Four Fees	Year Five Fees	Total
Section 3.1 Accounting and Auditing	\$	\$	\$	\$	\$	\$
Section 3.2 Trade Settlement	\$	\$	\$	\$	\$	\$
Section 3.3 Participant Income Calculation	\$	\$	\$	\$	\$	\$
Section 3.4 Cash Management	\$	\$	\$	\$	\$	\$
Section 3.5 Corporate Actions and Litigation Services	\$	\$	\$	\$	\$	\$
Section 3.6 Technology/System Requirements	\$	\$	\$	\$	\$	\$
Section 3.7 Reporting	\$	\$	\$	\$	\$	\$
Section 3.8 Performance Measurement and Analytics	\$	\$	\$	\$	\$	\$
Section 3.9 Compliance Monitoring and Reporting	\$	\$	\$	\$	\$	\$
Section 3.10 Conversion (Year one ONLY)	\$					\$
Section 3.11 Other Services and Responsibilities	\$	\$	\$	\$	\$	\$
Section 3.11.2 Conversion & Maintenance of Toll-Free Telephone number	\$	\$	\$	\$	\$	\$
Section 3.12 Importing Transaction Data	\$					\$
TOTAL ANNUAL FIXED PRICE	\$	\$	\$	\$	\$	*\$

(*) Price that will be used for evaluation purposes.