



Request for Proposals

Global Custody and Fund Administration, Middle Office Support Services and Securities Lending Services for the State of New Jersey Pension Fund and Other Funds

	Date	Time
Due Date for Questions	October 7, 2025	2:00 PM
Submission Deadline	December 19, 2025	2:00 PM

Dates are subject to change. All times contained in the RFP refer to Eastern Time.
All changes will be reflected in Bid Amendments to the Request for Proposals posted on Using Agency website.

Request For Proposals Issued By:

Division of Investment
50 West State Street, 9th floor
PO Box 290
Trenton, New Jersey 08625

Date: August 26, 2025

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- ATTACHMENT 2 – State-Supplied Price Sheet
- ATTACHMENT 3 – DOI Service Catalog Coded Responses
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- ATTACHMENT 5 – Securities Lending Collateral Investment Guidelines
- ATTACHMENT 6 – Sample Monthly Director's Report
- ATTACHMENT 7 – Securities Holdings as of December 31, 2024

1.0 INTRODUCTION AND SUMMARY OF THE REQUEST FOR PROPOSALS

1.1 PURPOSE

This Request for Proposals (“RFP”) is issued by the Department of the Treasury, Division of Investment (“DOI” or “Using Agency”) on behalf of the State Treasurer. The purpose of this RFP is to solicit Proposals for select service offerings detailed in Section 4.0 below.

1.2 SERACH OBJECTIVES AND INTENT

There are three distinct scopes of work included in this RFP. This RFP is soliciting Proposals for the below services, which relate to the investment and assets of various State funds, which are summarized in Section 1.3 below.

1. Global Custody and Fund Administration services covering:
 - Safe-keeping and transaction management across multiple markets, and
 - Fund accounting, alternative investment, compliance, performance, reporting, and risk management
2. Middle Office support services (either bundled with Global Custody or as a discrete service)
3. Securities Lending services (either bundled with Global Custody or as a discrete service)

DOI is seeking a cost-effective custodial solution, with a talented and experienced client service team, utilizing leading edge technology to provide a seamless delivery of services. The successful Bidder’s client servicing philosophy is expected to be best in class. The Contractor shall assign DOI a permanent on-site, dedicated client servicing resource consisting of a knowledgeable and experienced individual(s) as further discussed in Section 4.19 below.

The intent of this RFP is to award up to three (3) Contracts to responsible Bidder(s) whose Proposal(s), conforming to this RFP, are most advantageous to the State, price and other factors considered. The State, however, reserves the right to separately procure individual services that are the subject of the Contract during the Contract term, when deemed by the Treasurer to be in the State’s best interest.

1.3 BACKGROUND

The DOI and the State Investment Council (“SIC”) were established in 1950 pursuant to N.J.S.A 52:18A-79 et seq. An important objective of the statute was to centralize all functions relating to purchases, sales, or exchanges of securities for the State’s diverse funds under experienced and professional management.

The SIC consists of sixteen (16) members:

- Eight (8) appointed for staggered five (5) year terms by the Governor, with the advice and consent of the Senate;
- Three (3) appointed for three (3) year terms by the trustees of three (3) of the State’s pension systems;
- Two (2) appointed for five (5) year terms by the Governor from among six (6) persons put forward by the State AFL-CIO;
- One (1) appointed for a three (3) year term by the Governor from among three (3) persons put forward by the New Jersey Education Association (NJEA);
- One (1) appointed for a three (3) year term by the Governor from among three (3) persons put forward by the State Troopers Fraternal Association; and
- One (1) appointed for a five (5)-year term by the Governor from among three (3) persons nominated jointly by the President of the Senate and the Speaker of the General Assembly.

The role of the SIC is to establish the methods, practices, and procedures it deems necessary or proper, which govern the investment activities of the DOI. New investment regulations adopted by the SIC from time to time are filed with the Office of Administrative Law and published in the New Jersey Register for public comment prior to adoption.

This RFP covers services for the following funds (the “Funds”):

The Pension Fund

The Pension Fund includes pension assets contributed by participants and by State and local employers for currently working and/or retired participants in seven statewide retirement plans. The Pension Fund currently consists of the net assets of the

seven plans as well as four Common Pension Funds. The DOI reserves the right to establish new Common Pension Funds or modify the existing Common Pension Funds. The Pension Fund had a net asset value of \$70.2 billion on December 31, 2024.

The seven Pension Plans are:

- Judicial Retirement System (JRS)
- Consolidated Police and Firemen's Pension Fund (CPFPPF)
- Police and Firemen's Retirement System (PFRS)
- Prison Officers' Pension Fund (POPF)
- Public Employees' Retirement System (PERS)
- State Police Retirement System (SPRS)
- Teachers' Pension and Annuity Fund (TPAF)

Although the plans may invest directly in securities, currently the assets, except for certain PFRS assets discussed below, are managed through Common Pension Funds and the State of New Jersey Cash Management Fund (CMF). CMF assets are not included in this RFP.

Four of the seven Pension Plans (JRS, PERS, SPRS and TPAF) invest in Common Pension Funds A, D, E and CMF. CPFPPF and POPF are dormant legacy funds that only invest in CMF. Certain PFRS assets are invested by the DOI in Common Pension Fund E and CMF; the remainder are invested directly by PFRS and are not included in this RFP.

Common Pension Fund A

Common Pension Fund A invests primarily in alternative investments, which include private credit, private equity, real estate, real asset, and absolute return strategy funds, which are governed by the State Investment Council Regulations (N.J.A.C. 17:16). As of June 30, 2024, Common Pension Fund A held approximately 38 investments and had a net asset value of approximately \$3.3 billion. The fund's current custodian is State Street Bank. The fund had approximately 565 transactions, including capital calls and distributions, in Fiscal Year ("FY") 2024.

Common Pension Fund D

Common Pension Fund D invests primarily in global equity, fixed income, and certain derivative securities, which are also governed by N.J.A.C. 17:16. As of June 30, 2024, Common Pension Fund D held approximately 8,980 positions and had a net asset value of approximately \$44 billion. The fund's current custodian is State Street Bank. There were approximately 42,210 transactions in FY 2024.

Common Pension Fund D uses advisers for certain asset classes, which currently include high yield fixed income, emerging market securities and international small cap securities. There are currently fourteen advisers under contract. The DOI anticipates that this could increase to approximately twenty-five during the term of the contract. The advisers execute trades on behalf of Common Pension Fund D and transmit the information directly to the custodian. The custodian works directly with the advisers on trade settlements and reconciliations at the DOI's direction.

Common Pension Fund D also participates in a securities lending program for eligible fixed income and equity securities in the Pension Fund. The securities lending program is governed by N.J.A.C. 17:16-5.1 et seq. DOI has three objectives in managing the collateral portfolio for the securities lending program. The primary objective is to provide safety of principal while earning a positive spread to the rebate rate on securities lent. The second objective is to provide adequate daily liquidity for the collateral portfolio, and the third objective is to obtain the highest yield possible within the parameters of the guidelines. The only permissible collateral is cash and cash equivalents, which, in turn, may be invested in permissible securities in accordance with N.J.A.C. 17:16 and the program guidelines as set forth by the DOI. The collateral is currently invested primarily in overnight repurchase agreements in accordance with N.J.A.C. 17:16-33.

Common Pension Fund E

Common Pension Fund E invests primarily in alternative investments, which include private credit, private equity, real estate, real asset, and absolute return strategy funds, which are also governed by N.J.A.C. 17:16. As of June 30, 2024, Common Pension Fund E held approximately 242 investments and had a net asset value of approximately \$28.2 billion. The fund's current custodian is State Street Bank. The fund had approximately 1310 transactions, including capital calls and distributions, in FY 2024.

Common Pension Fund L

Common Pension Fund L serves as a conduit to distribute monthly sales proceeds from the Division of Lottery to PFRS, PERS, and TPAF at a fixed percentage of 1.20%, 21.02%, and 77.78%, respectively, in accordance with N.J.S.A. 5:9-22.5 et seq. The fund contains two subaccounts, an operating subaccount, and an investment subaccount. The proceeds are transferred from the Division of Lottery's operating account to its investment account, which then is allocated into the three Pension Plans. These transfers occur on the same day.

Other Funds

In addition to the Pension Fund, DOI invests the assets of the following funds:

Supplemental Annuity Collective Trust (SACT)

This fund includes voluntary investments by employees for retirement income separate from, and in addition to, their basic pension plan. SACT is currently an indexed fund that invests in equity securities and is rebalanced periodically. As of June 30, 2024, the portfolio held 251 securities with an approximate market value of \$334 million. There were 132 transactions during FY 2024.

Trustees for the Support of Public Schools (TSPS)

DOI manages the fund reserve required to support the rating of school bonds issued for the maintenance and support of the State's public schools. The fund invests in US Treasury securities and CMF. As of June 30, 2024, the portfolio held 4 securities with an approximate market value of \$178 million. There were 10 transactions during FY 2024.

State of New Jersey State Lottery Fund (Lottery Fund)

DOI executes the purchase of US Treasury securities based on instructions received from the Division of Lottery. The proceeds from securities are used to fund top tier instant prize winners. As of June 30, 2024, the portfolio(s) held 127 fixed income securities with an approximate market value of \$116 million. The fund executed approximately 23 transactions during FY 2024.

New Jersey Cultural Trust (NJCT)

The NJCT was created in July 2000 as a public/private partnership to help ensure a stable and healthy nonprofit cultural industry in New Jersey. NJCT provides grants to support capital projects, endowments, and institutional and financial stabilization of arts, history, and humanities organizations in New Jersey. Funding for the grants comes from interest earned on the Cultural Trust Fund, which is a permanent investment fund. As of May 31, 2024, NJCT held 9 US Treasury Notes with an approximate market value of \$22.7 million and an investment of \$3.0 million in CMF. The fund executed 32 transactions during FY 2024.

In addition to the funds listed above, the DOI also manages other assets (e.g., CMF, a portion of the New Jersey Better Educational Savings Trust (NJBEST) Program, and a portion of the New Jersey Deferred Compensation Plan (DCP), which are not included in this RFP.

1.4 MINIMUM QUALIFICATIONS; SCREENING CRITERIA

Pursuant to N.J.S.A. 52:18A-8.1, 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.

1.5 CONTRACTUAL TERMS; ORDER OF PRECEDENCE

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 and Conditions" or "SSTCs") will apply to all Contracts made with the State. These terms 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. The Standard Terms and Conditions may be found as Attachment 1 of this RFP, as well as the link below:

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

The Contract awarded, and the entire agreement between the parties, as a result of this RFP shall consist of: (1) the final RFP (including any Bid Amendments), (2) the Standard Terms and Conditions, (3) the Bidder's responses to clarifications, if applicable, (4) the Bidder's Best and Final Offer, if applicable; (5) the Bidder's Proposal, and (6) the Bidder's Custody Agreement as negotiated and accepted by the DOI. In the event of a conflict in the terms and conditions among the documents comprising this Contract, the order of precedence, for purposes of interpretation thereof, is listed from highest ranking to lowest ranking as noted above.

Any other terms or conditions not included in the documents described above 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 RFP and the Standard Terms and Conditions. In the event of any conflict between the terms of a document incorporated by reference and the terms and conditions of the RFP and the Standard Terms and Conditions, the terms and conditions of the RFP and the Standard Terms and Conditions shall prevail.

2.0 PRE-PROPOSAL SUBMISSION INFORMATION

The Bidder assumes sole responsibility for the complete effort required in submitting a Proposal and for reviewing the Proposal submission requirements and the Scope of Work requirements.

2.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The DOI will electronically accept questions and inquiries from all potential Bidders.

A Bidder shall submit questions only by email to: DOI.RFP@treas.nj.gov. The DOI will not accept any questions in person or by telephone concerning this RFP. The due date for electronic questions and inquiries relating to this RFP is indicated on the RFP cover sheet. In the event that questions are posed by Bidders, answers to such questions will be issued by Bid Amendment. Any Bid Amendment to this RFP will become part of this RFP and part of any Contract awarded as a result of this RFP. Bid Amendments to this RFP, if any, will be posted to the Using Agency's website as indicated below.

- 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 and Conditions along with any exceptions to mandatory requirements should contain requested changes.

Bidders must not contact the 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. Bid Amendments 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.

2.2 EXCEPTIONS TO THE STANDARD TERMS AND CONDITIONS (SSTC)

Questions regarding the Standard Terms and Conditions and exceptions to mandatory requirements MUST be posed during the Electronic Question and Answer period and should contain the Bidder's suggested changes and the reason(s) for the suggested change(s).

2.3 BID AMENDMENTS

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by Bid Amendment. Any Bid Amendment will become part of this RFP and part of any Contract awarded. Bid Amendments will be posted to the Using Agency's website. There are no designated dates for release of Bid Amendments. It is the sole responsibility of the Bidder to be knowledgeable of all Bid Amendments related to this RFP.

3.0 PROPOSAL SUBMISSION REQUIREMENTS

3.1 PROPOSAL SUBMISSION

In order to be considered for award, the Proposal must be received by the DOI by the required date and time indicated on the RFP cover sheet. If the Proposal submission deadline has been revised, the new Proposal submission deadline shall be shown on the posted Bid Amendment.

Proposals not received prior to the Proposal submission deadline will be rejected.

The Bidder must submit the following:

The Bidder must submit the Proposal electronically to the DOI at the following address: DOI.RFP@treas.nj.gov

Each Proposal shall include one copy in “read only” PDF file format for review and one copy in an editable and “writable” PDF file format for redaction.

In addition, the Bidder must submit one complete hardcopy of the Proposal to the DOI at the following address:

VIA US Postal Service:

Attn: Global Custody, Sec Lending & Middle Office RFP
State of New Jersey
Department of the Treasury
Division of Investment
PO Box 290
Trenton, NJ 08625-0290

VIA Hand Delivery or Overnight Courier:

Attn: Global Custody, Sec Lending & Middle Office RFP
State of New Jersey
Department of the Treasury
Division of Investment
50 West State Street, 9th Floor
Trenton, NJ 08608

The Bidder should make and retain a copy of its Proposal.

3.2 BIDDER RESPONSIBILITY

The Bidder assumes sole responsibility for the complete effort required in submitting a Proposal in response to this RFP. No special consideration will be given after Proposals are opened because of a Bidder’s failure to be knowledgeable as to all of the requirements of this RFP. 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 or any pre-contract award costs incurred.

3.3 BIDDER ADDITIONAL TERMS SUBMITTED WITH THE PROPOSAL

A Bidder may submit additional terms as part of its Proposal for consideration by the State. Additional terms are Bidder-proposed terms or conditions that do not conflict with the scope of work required in this RFP, the terms and conditions of this RFP, or the Standard Terms and Conditions. It is incumbent upon the Bidder to identify and remove any conflicting proposed terms and conditions prior to Proposal submission.

3.4 PROPOSAL CONTENT

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

- Forms
- Technical Proposal
- State-Supplied Price Sheet
- Service Catalog Coded Response Workbook

A Bidder should not password protect any submitted documents. Use of URLs in a Proposal should be kept to a minimum and shall not be used to satisfy any material term of the RFP. If a preprinted or other document included as part of the Proposal contains a URL, a printed copy of the information should be provided and will be considered as part of the Proposal.

3.5 FORMS, REGISTRATIONS AND CERTIFICATIONS TO BE SUBMITTED WITH PROPOSAL

A Bidder is required to complete and submit the forms, registrations and certifications as described below. Documents completed electronically in NJSTART on the “Terms and Categories” Tab within the Vendor Profile, or attached to the Vendor Profile shall be accepted in lieu of being attached to the submitted Proposal. Refer to the Vendor Quick Reference Guides and Vendor Forms tabs on the NJSTART website for additional instructions.

3.5.1 COVER LETTER

The Bidder should submit a cover letter with the Proposal, including the signature of an authorized representative of the Bidder and full contact information for the Bidder.

3.5.2 [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 the 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 DOI 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 with its Proposal will result in the rejection of the Proposal as non-responsive and preclude the award of a Contract to said Bidder.

3.5.3 [DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM](#)

The Bidder should submit the Disclosure of Investment Activities in Iran Form with its Proposal to certify that, pursuant to N.J.S.A. 52:32-58, neither the Bidder, nor one (1) of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither the Bidder, nor any of its parents, subsidiaries, and/or affiliates, is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the Bidder is unable to so certify, the Bidder shall provide a detailed and precise description of such activities as directed on the form. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State’s request, or the State may deem the Proposal non-responsive.

3.5.4 [DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING THE VEDNOR FORM](#)

The Bidder should submit the Disclosure of Investigations and Other Actions Involving the Vendor Form with its Proposal to provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five (5) years, including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State’s request, or the State may deem the Proposal nonresponsive.

3.5.5 [MACBRIDE PRINCIPLES FORM](#)

The Bidder should submit the MacBride Principles Form with its Proposal. Pursuant to N.J.S.A. 52:34-12.2, a Bidder is required to certify that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A:89.5 and in conformance with the United Kingdom’s Fair Employment (Northern Ireland) Act of 1989, and permit independent

monitoring of their compliance with those principles. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.

3.5.6 SOURCE DISCLOSURE FORM

The Bidder should submit a completed Source Disclosure Form with its Proposal. Pursuant to N.J.S.A. 52:34-13.2, all Contracts primarily for services shall be performed within the United States. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.

3.5.7 CONFIDENTIALITY AND COMMITMENT TO DEFEND

Proposals can be released to the public in accordance with the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1 et seq., or the common law right to know. The Bidder should submit a completed and signed Confidentiality/Commitment to Defend Form with the Proposal. In the event that the Bidder does not submit the Confidentiality form with the Proposal, the State reserves the right to request that the Bidder submit the form after Proposal submission. After the Proposal submission deadline, 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. Proprietary, financial, security and confidential information may be exempt from public disclosure by OPRA and/or the common law when the Bidder has a good faith, legal/factual basis for such assertion. When the RFP contains a negotiation component, the Proposal will not be subject to public disclosure until a notice of intent to award a Contract is announced. As part of its Proposal, a Bidder may request that portions of the Proposal be exempt from public disclosure under OPRA and/or the common law. 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 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.

3.5.8 SUBCONTRACTOR UTILIZATION PLAN

Bidders intending to use Subcontractor(s) shall list all subcontractors on the Subcontractor Utilization Plan form. For a Proposal that does NOT include the use of any Subcontractors, the Bidder is automatically certifying that, if selected for an award, the Bidder will be performing all work required by the Contract. If it becomes necessary for Contractor to substitute a Subcontractor, add a Subcontractor, or substitute its own staff for a Subcontractor, Contractor will identify the proposed new Subcontractor or staff member(s) and the work to be performed. Contractor shall forward a written request to substitute or add a Subcontractor or to substitute its own staff for a Subcontractor to the State Contract Manager for consideration. Contractor must provide a completed Subcontractor Utilization Plan, a detailed justification documenting the necessity for the substitution or addition, and resumes of its proposed replacement staff or of the proposed Subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability, and experience relevant to that part of the work which the Subcontractor is to undertake. The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by Contractor in its Proposal. The State Contract Manager will forward the request to the Director for approval. NOTE: No substituted or additional Subcontractors are authorized to begin work until Contractor has received written approval from the State.

3.5.9 PAY TO PLAY PROHIBITIONS

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

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

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

3.5.10 AFFIRMATIVE ACTION

The Bidder and its named subcontractors should submit, with the Proposal, a copy of a New Jersey Certificate of Employee Information Report, or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. If Contractor and/or its named subcontractors are not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval, it/they must complete and submit the Affirmative Action Employee Information Report (AA-302). Information, instruction, and the application are available at: https://www.state.nj.us/treasury/contract_compliance/index.shtml. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.

3.5.11 BUSINESS REGISTRATION CERTIFICATE

In accordance with N.J.S.A. 52:32-44(b), a Bidder and its named Subcontractors must have a valid Business Registration Certificate ("BRC") issued by the Department of the Treasury, Division of Revenue and Enterprise Services (<https://www.nj.gov/treasury/revenue/busregcert.shtml>) prior to the award of a Contract. A Bidder should verify its Business Registration Certification Active status on the "Maintain Terms and Categories" Tab within its profile in NJSTART. In the event of an issue with a Bidder's Business Registration Certification Active status, NJSTART provides a link to take corrective action.

3.5.12 CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS

The Bidder should submit the Certification of Non-Involvement in Prohibited Activities in Russia or Belarus with its Proposal. Pursuant to N.J.S.A. 52:32-60.1, a person or entity seeking to enter into or renew a contract for the provision of goods or services shall certify that it is not engaging in prohibited activities in Russia or Belarus as defined by N.J.S.A. 52:32-60.1(e). If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.

3.5.13 STANDARD AGREEMENT FORMS

The Bidder should submit a copy of the Bidder's standard Custody Agreement, Middle Office Agreement, and Securities Lending Agreement to the extent applicable. Note that the provisions of these agreements cannot be inconsistent with any of the material provisions of the Standard Terms and Conditions and/or this RFP. If the Bidder's standard agreements must be modified to conform to the Standard Terms and Conditions and/or the requirements of this RFP, provide a copy of the modified agreement and indicate that the proposed changes have been reviewed and approved by the Bidder's legal representative. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.

3.6 TECHNICAL PROPOSAL

The Bidder shall set forth its overall technical approach and plans to meet the requirements of the following services sought in RFP in a narrative format:

1. **Global Custody and Fund Administration** covering:
 1. Safekeeping and transaction management across multiple markets and
 2. Fund accounting, alternative investment, compliance, performance, reporting, and risk management
2. **Middle Office (Investment Operations)**
(either bundled with Global Custody or as a discrete service)
3. **Securities Lending Services**
(either bundled with Global Custody or as a discrete service)

This narrative should demonstrate to the Evaluation Committee that the Bidder understands the objectives of the Contract, the nature of the required work, and the level of effort necessary to successfully complete the Contract. Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the Bidder's approach to complete the Contract.

All of the items outlined in this Section 3.6 should be addressed in the Bidder's Technical Proposal, and answered in consecutive order, from beginning to end, following the organization of Section 3.6.

3.6.1 IMPLEMENTATION PLAN AND CONTRACT MANAGEMENT

All Bidders should:

- A. Provide a brief overview of the Bidder's transition service including people, location, skills, and involvement of the Business As Usual, "BAU", teams.
- B. Provide a timetable 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 daily communication; pre- and post-trade interfaces; parallel testing; conversion of assets; and reconciliations set-up and interfaces. Ensure that plans for the conversion and implementation includes detail for the following systems and functions (where applicable):

Global Custody & Fund Administration

- Custody and Trade Settlement
- Accounting and Auditing
- Security Administration and Pricing
- Reporting
- Alternative Investment Platform
- Cash Management
- Corporate Actions
- Class Action Claims
- Proxy Processing
- Performance Measuring and Analytics
- Risk System
- Compliance Monitoring and Reporting

Middle Office (Investment Operations)

- Post Trade Management
- Derivatives Clearing & Lifecycle Management
- Collateral Management
- Cash Management and Forecasting
- EOD / SOD Reconciliations
- Regulatory Reporting

Securities Lending Services

- Risk Management
- Collateralization
- Borrower Consideration

- Indemnification
- Limitations and Allocation
- Reporting
- Systems and Technology

Other implementation elements

- Overall governance and management of external parties
- Parallel processing
- Testing of electronic feeds
- All other applicable systems

- In the event the Bidder is providing any service components through a third-party provider, provide more information on the approach to plan and execute the implementation with such providers.
- Describe the Bidder's plan to communicate with the DOI including, at minimum, communication with the DOI Contract Manager, status meetings and status reports.
- Detail the data integrity testing processes, reconciliations, parallel run periods and any other quality control processes that are undertaken as part of the transition.
- Describe the Bidder's plan for the use of Subcontractor(s), if any, on this Contract. State each Subcontractor's name and the services to be performed by the Subcontractor. Emphasis should be on how any Subcontractor identified will be involved in the mobilization and implementation plan.
- Confirm any transition related charges expected to be passed on to the DOI.

3.6.2 LOCATION

All Bidders should:

- Identify the location of the main office(s) 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.
- State whether the Bidder has an office or branch registered and operating in the State of New Jersey and employing New Jersey residents. If not, provide plans for complying with the requirements of N.J.S.A. 52:18A-8.1.

3.6.3 ORGANIZATION

All Bidders should:

- Provide a brief history of the Bidder and its operation with milestones, which include at a minimum:
 - The year formed;
 - Ownership structured;
 - Any ownership changes within the past five years;
 - Any pending plans for ownership changes;
 - A description of any joint ventures or affiliations, including any ownership the Bidder or any entity under its control may hold in partnerships and/or other investment firms.
- Provide the total assets and number of current US-based custody clients (do not include non-US based clients) as of December 31, 2024:
 - By type:
 - Corporate
 - Taft-Hartley
 - Public
 - E&F/Not-for-Profit
 - Insurance
 - Defined Contribution
 - Mutual Funds/Investment Managers
 - Other (please specify)
 - Total of the above
 - By asset size:
 - Under \$1bn
 - Over \$1bn to \$15bn
 - Over \$15bn to \$50bn

- Over \$50bn to \$100bn
 - Over \$100bn
 - Total of the above
- C. Describe the levels and types of insurance coverage with respect to the Bidder's custody, middle office, and securities lending business (as appropriate).
- D. State, on average, over the last five years, what percentage of the parent's profits has been contributed by:
- Global Custody
 - Fund Administration
 - Middle Office
 - Securities Lending
- E. Describe any ongoing educational programs, client conferences, publications, internet access, or other means the Bidder provides to keep its clients informed of new industry practices, techniques, and other trends. Describe the frequency of offerings, whether they will be offered to the DOI staff and SIC members, and which associated costs are included (e.g., meals, transportation, lodging, etc.).
- F. Describe and explain any recent loss of clients within the last five years.
- G. Describe the Bidder's business goals and objectives for the next three years.
- H. Describe the nature and size of any "off balance sheet items" in the Bidder's annual report and identify the three greatest areas of risk exposure to the Bidder.
- I. Provide Capital Base data as of December 31, 2024, for both Current Measure and Current Requirements for "Well Capitalized":
- For the following metrics:
 - Total Firm Assets
 - Total Capital Base
 - Tier 1 Capital
 - Tier 2 Capital
 - Tier 1 Risk Based Capital Ratio
 - Total Risk Based Capital Ratio
 - Tier 1 Leverage Ratio
 - Supplemental Leverage Ratio
 - Explain implications of not meeting "Well Capitalized" threshold, if applicable.
- J. Provide the Bidder's organization's current short-term and long-term credit ratings by Moody's, Standard & Poor's, and Fitch.
- K. State whether there any current organizational issues (including at minimum, mergers, acquisitions, personnel changes, business concerns, etc.) regarding the Bidder's organization. Please provide details for the last three years.
- L. Is there any pending or threatened litigation against the Bidder? Is there any agency supervision? What has been the Bidder's experience with regard to litigation or agency supervision over the past five years?
- M. Describe the Bidder's business continuity and disaster recovery plans. Indicate the date and results of the last testing of such plan(s) and continue to report immediately to the DOI the results of any subsequent test through date of award.
- N. Describe the recovery time(s) and service level for critical custodial services in the case of a major disaster or continuity event.
- O. Name the Bidder's compliance provider. Is the provider in-house or external? For how long has the entity been the compliance provider?
- P. Name who is responsible for compliance within the Bidder. Provide an organizational chart of the Bidder's compliance function.
- Q. List with which regulatory bodies is the Bidder registered.
- R. List the internal resources that are dedicated to overseeing operational or business risk within the Bidder (e.g., compliance, risk committee, governance committee, internal audit, etc.). Briefly describe the process.
- S. State whether the management oversight and governance functions include independent representatives (e.g., outside Board members or audit committee members). Please describe.

3.6.4 RESUMES

All Bidders should submit detailed resumes for all management, supervisory, and key personnel to be assigned to the Contract. Resumes should emphasize relevant qualifications and experience of these individuals in successfully completing Contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

- A. The individual's previous experience in completing each similar Contract;
- B. Beginning and ending dates for each similar Contract;
- C. A description of the Contract demonstrating how the individual's work on the completed Contract relates to the individual's ability to contribute to successfully providing the services required by this RFP; and
- D. With respect to each similar Contract, the name and address of each reference together with a person to contact for a reference check and a telephone number as further explained in Section 3.6.5 below.

The Bidder should provide detailed resumes for each Subcontractor's management, supervisory, and other key personnel that demonstrate knowledge, ability, and experience relevant to that part of the work which the Subcontractor is designated to perform.

3.6.5 EXPERIENCE WITH CONTRACTS IF SIMILAR SIZE AND SCOPE

All Bidders should:

- A. Provide documented experience to demonstrate that it has successfully performed work on contracts of similar size and scope with their proposal.
- B. Provide a representative list of US institutional clients with assets over \$50 billion for whom the Bidder provides global custody services, middle office services and securities lending services (as appropriate). Include at least three, and up to five, references for large public, corporate, or sovereign wealth funds with similar complexity as the DOI, defined as follows: (a) multi-billion-dollar asset pools; (b) over 25% of assets traded internally; (c) over 10% of Alternative Investment exposure, with Alternative Investments defined as the combination of hedge funds, private equity, real estate, and real assets; (d) requiring a high level of client support; and (e) with a securities lending program.
- C. Provide the following information available in consideration of client confidentiality agreements:
 - Name of client;
 - Name of client contact, title, telephone number, and e-mail address;
 - Client type;
 - Year hired;
 - Asset size as of 12/31/24;
 - Indicate whether global or domestic custody client;
 - Indicate whether client may be contacted by the DOI;
 - Indicate size of securities lending portfolio;
 - Indicate percentage of assets traded internally;
 - Indicate percentage of alternative investment exposure and specific sub asset classes within alternative investments;
 - Client turnover information for US-based global and domestic custody clients (plan sponsors and investment managers) for each of the last three calendar years and nine months ending (RFP publication date); and
 - Client turnover information for US-based global and domestic securities lending clients for each of the last three calendar years and nine months (RFP publication date).
- D. For each client gained within the last three calendar years with assets greater than \$50 billion, provide the following information:
 - Name of client gained;
 - Client type;
 - Date hired; and
 - Assets gained (in \$ million).
- E. For each client lost within the last three calendar years with assets greater than \$50 billion, provide the following information:
 - Name of client lost;
 - Client type;
 - Date hired;
 - Date terminated;
 - Assets lost (in \$ million); and
 - Indicate whether the DOI may contact the client.

3.6.6 SERVICE CATALOG CODED RESPONSE WORKBOOK

All Bidders should complete the supporting Service Catalog Coded Response workbook (attached as Attachment 3 to this RFP) and submit with the Bidder's proposal. This workbook contains questions relating to each of the categories of services included in this RFP. It should be completed by responding to each question with one of the provided eligible responses in the appropriate cells on the Service Catalog Coded Response Workbook. Please answer only those sections and questions which are appropriate for the Bidder's focus. Use 'NA' when necessary, rather than leave fields blank. If a Bidder does not submit the workbook with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request for such workbook, or the State may deem the Proposal non-responsive.

Please do not enter comments or additional information on the Response column. If the Bidder wishes to provide additional information, please enter it in the "Comments" column provided within the tab, or in the "Notes" tab of the Service Catalog Coded Response Workbook noting the supporting free format RFP response in a separate document.

3.6.7 OPERATING MODEL

All Bidders should:

- A. Describe the operating model strategy to support the custody and fund administration, middle office, and securities lending businesses (as appropriate). Describe the process to design and implement operating model changes and confirm planned changes for the next three years for the [Regional/Local] and Global operations.
- B. If applicable, provide an overview of the Bidder's approach to the mix between local and offshore locations.
- C. Provide an organization chart and details regarding the proposed staffing plan, including short bios, for all services included in the Bidder's response, including the plans to provide on-site support. Include the physical office location of each person. Include information regarding proposed backup staff.
- D. Provide the staff to client ratio for each proposed staff member.
- E. Describe how client relationships are serviced either through direct or indirect (shared) teams, including how responsibilities are allocated among client service professionals.
- F. State whether the Bidder's organization has a separate operational group dedicated to alternatives administration (e.g., handling capital call/distribution services for custody clients)? Please describe.
- G. Describe the Bidder's issue resolution process from notification through escalation and resolution, including any automated tools used.
- H. List management personnel devoted exclusively to global custody for US tax-exempt clients. Provide the following information:
 - Name and Title;
 - Function;
 - Number of Years with global custody division; and
 - Years of global custody experience.
- I. If the Bidder employs 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?
- J. For the global custody division's specific team, provide the names and resumes of the individual team members and the number of years working with institutional investors of a similar size and complexity.
- K. For each of the categories listed below, provide the number of professionals dedicated to providing global custody services to US based clients. Also provide a breakdown by office location. (Do not double-count and do not include professionals who work in sub-custodian offices.)
 - Client Service
 - Securities Lending
 - Report Generation
 - Data Collection
 - Systems
 - Accounting and Auditing
 - Cash Management
 - Investment Manager/Adviser Liaison
 - Marketing
 - Compliance
 - Performance
 - Alternative Investments
 - Class Actions Monitoring

- Proxy Processing
 - Corporate Actions
 - Middle Office
 - Securities Lending
 - Other
- L. State how many professionals involved in providing the required services to US tax-exempt clients were hired and lost during each of the past three years. Organize the response according to the following categories:
- Client Service
 - Securities Lending
 - Report Generation
 - Data Collection
 - Systems
 - Accounting and Auditing
 - Cash Management
 - Investment Manager/Adviser Liaison
 - Marketing
 - Compliance
 - Performance
 - Alternative Investments
 - Class Actions Monitoring
 - Proxy Processing
 - Corporate Actions
 - Middle Office
 - Securities Lending
 - Other
- M. Explain any turnover of key management personnel in the last two years, including arrivals and departures of executive and senior leadership, leaders of functional units that will be involved in providing services outlined in this RFP, and senior-level client-facing roles that would work with the DOI as a result of this RFP.
- N. Explain how the Bidder's operations and support personnel are compensated.
- O. Describe any additional compensation programs the Bidder has instituted to motivate its operations and support personnel.

3.6.8 FINANCIAL CAPABILITY OF THE BIDDER

All Bidders should:

- A. Submit the Bidder's most recent 10Q and 10K, if applicable, and audited financial statements, which include a balance sheet, income statement and statement of cash flow, and all applicable notes. If a Bidder does not submit these reports with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.
- B. State whether the audit opinion on the Bidder's financial statements has been "unqualified" or "unmodified" for any of the last three years? If not, explain why. Has the Bidder had a change in auditors over the last three years? If so, explain why.

3.6.9 SERVICE ORGANIZATION CONTROL (SOC) REPORT

All Bidders should submit a copy of the Bidder's most recent SOC report(s) as an appendix to the Proposal. If a Bidder does not submit the form with the Proposal, the Bidder must comply within seven (7) Business Days of the State's request, or the State may deem the Proposal non-responsive.

3.6.10 CLIENT SUPPORT

All Bidders should:

- A. Provide an outline of service level expectations (e.g. a Service Level Agreement (SLA)), detailing the expected response times to issues raised based on assigned severity and detailing how severity is assigned to issues for each of the categories listed below:

- Client Service
 - Securities Lending
 - Report Generation
 - Data Collection
 - Systems
 - Accounting and Auditing
 - Cash Management
 - Investment Manager/Adviser Liaison
 - Marketing
 - Compliance
 - Performance
 - Alternative Investments
 - Class Actions Monitoring
 - Proxy Processing
 - Corporate Actions
 - Middle Office
 - Securities Lending
 - Other
- B. Provide the Bidder's process for tracking and resolving client inquiries, including any technologies used for issue tracking, escalation policies and procedures, and exception procedures.
- C. Explain how client inquiries that span across multiple functions (i.e. accounting, custody, and performance) are handled and resolved. Are there interdisciplinary subject matter experts identified and made available to the client?
- D. Explain how performance of client support is measured and monitored. What is the process for reviewing, evaluating, and improving client support performance between the client and the Bidder? Include descriptions and samples of Key Performance Indicators (KPIs), monthly management reports, scorecards, etc. used and made available to clients.
- E. Describe any policies and the methods used by client support to communicate and execute change management with the client:
- Changes to personnel within the organization, including lead time for communication of personnel changes and policies regarding replacement with similarly qualified replacements.
 - Technological changes, including lead time notification, transition planning, provision of parallel environments during change, project management and IT support provided.
 - Functionality changes, including lead time notification, project management support provided, user documentation of changes, and training provided by organization to staff.
 - Market related changes, including but not limited to: Tax regime changes, market openings and trade settlement changes.
- F. Provide a sample of user documentation available for client users of the primary technology platform(s) required to access information for the following categories:
- Securities Lending
 - Report Generation
 - Accounting and Auditing
 - Cash Management
 - Compliance
 - Performance
 - Alternative Investments
 - Class Actions Monitoring
 - Proxy Processing
 - Corporate Actions
 - Middle Office
 - Securities Lending
 - Other
- G. Describe the training model used to onboard new clients, new users of existing clients, and the introduction of any functionality or technological changes, including:
- Availability and description of formal and informal classes
 - Onsite training
 - Offsite training

3.6.11 TECHNOLOGY AND SYSTEMS REQUIREMENTS

All Bidders should:

- A. Describe the effort within the Bidder's organization to assure the integrity of the data transmitted to it by clients or their investment advisers. Please specify any requirements for the transmission of data via secure email or fax.
- B. Describe the security measures in place to protect against unauthorized access to the Bidder's systems.
- C. Indicate the location(s) of the Bidder's administrative operations and computer facilities that support its custody, accounting, and securities lending operations.
- D. Describe the Bidder's system hardware. Indicate how long the current equipment has been in use.
- E. Describe significant system enhancement, changes and/or additions to the master custody and accounting systems that have been implemented over the past two years. What system enhancements, changes and/or additions are being considered over the next two years?
- F. Confirm integration approaches for client downstream systems and existing vendor connectivity. The DOI has the following vendor applications within their operating model, specifically describe the Bidder's ability to integrate with the following applications covering positions and transactions:
 - MSCI Total Plan Manager, or other data and analytics solutions for public and private assets
 - MSCI Private I, or other private investment performance solutions
 - FactSet
 - Bloomberg
 - Barra
 - INDATA, or other Order Management System solutions
- G. Describe fully the Bidder's online system and programming support staff dedicated to maintenance and enhancement of the system.
- H. Describe the Bidder's process for real-time file back-up and off-site storage for data and software, including back-up locations.
- I. Describe the Bidder's emergency management/business continuation plan. In the 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 the Bidder's business continuity program relative to its peers.
- J. Describe how the Bidder handles exception processing when a client requirement or deliverable forces it to deviate from the standard processing model. For example, how does the Bidder 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?

3.6.12 ADDITIONAL TECHNICAL PROPOSAL REQUIREMENTS FOR GLOBAL CUSTODY & FUND ADMINISTRATION BIDDERS

In addition to the requirements in Sections 3.6.1 through 3.6.11, Bidders for Global Custody & Fund Administration should:

3.6.12.1 GENERAL

- A. Describe the specific investments that have been made to improve the Bidder's Global Custody and Fund Administration operations over each of the last three years. Please specify dollar amounts by year and by project.
- B. Describe plans that the Bidder currently has to improve its Global Custody and Fund Administration product. Discuss the potential for service disruption as these improvements are implemented.
- C. State whether the Bidder has acquired any custody business from other institutions. If so, describe the business acquired and the status of the transition.
- D. Describe the Bidder's policies regarding confidentiality of client information.
- E. Describe the Bidder's permissioning protocol, including how permissioning across products and functions is documented, executed, and updated. In what instances is a letter of direction (or any similar documentation) warranted? Are digital signatures or signature stamps valid, or are there instances where a wet signature is required? How is the list of authorized signatories maintained, communicated, and updated?

- F. Describe the external audit relationship and internal audit organization controls the Bidder has in place to assure that its custody and fund administration services are provided in accordance with proper standards of care, regulatory requirements, and contractual agreements in place.
- G. Describe the resources dedicated to regulatory affairs relating to the custody and fund administration businesses. Detail the Bidder's efforts to comply with recent and upcoming financial regulation legislation (e.g. Economic Growth, Regulatory Relief, and Consumer Protection Act, Anti-Money Laundering Act of 2020). How will this affect both operations and future budgets for the master custody and securities lending divisions?
- H. Describe what it means to be a successful custodian. How does the Bidder think that will change in the next five years?
- I. Describe three recent examples where the Bidder exhibited "thought leadership" in relation to custody services.
- J. Describe any "soft" revenue the Bidder receives from custody services related to this Contract, including:
 - Instances where the bank receives interest payments on client's assets.
 - Instances where the bank receives a fee or generates income from a bid-ask spread.
 - Other instances that are NOT listed above or disclosed in the fee proposal.
- K. Does the Bidder share hardware with other areas of the parent company, or does it have a separate dedicated master custody facility?
- L. Describe how frequently and at what times of day the Bidder's custody platform interfaces with its accounting platform.
- M. Describe how frequently and at what times of day the Bidder's accounting platform interfaces with its performance, compliance, and other downstream platforms. If available, please provide a flow chart or system architecture diagram.

3.6.12.2 CUSTODY AND TRADE SETTLEMENT

I. Custody and Trade Settlement - General

- A. Provide an overview of the Bidder's service covering the process, people, systems, timelines, and controls for trade processing, including support for standing instructions.
- B. Indicate the Bidder's 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. For non-US securities, be sure to include Emerging and Frontier markets.
 - Non-US Stocks
 - US Stocks
 - Non-US Bonds
 - US Bonds
 - Spot Currency Rates
 - Derivatives (Settled)
 - Derivatives (Unsettled)
 - Other _____
- C. Confirm the Bidder's 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 and exchange rates
 - NAV impact of price changes
 - Stale pricing
 - Auto-comparison of primary prices to secondary/tertiary sources
- D. State whether the Bidder has any restrictions as to the type of securities it will hold in safekeeping.
- E. Describe how the Bidder prices securities that don't have CUSIPs/SEDOLs, are not available from its pricing service and/or are otherwise difficult to price.
- F. Describe in what instances the Bidder assigns an internally generated security identifier and does not utilize a market identifier. Provide details.
- G. Discuss the Bidder's specific operational procedures for settling purchases and sales, identifying any distinctions for a) different asset classes, b) physical and book entry, and c) domestic and international, including both:
 - Actual settlement date processing

- Contractual settlement date processing
- H. Describe the Bidder's procedures for handling a failed trade for both domestic and foreign securities, and for reporting pending and failed trades to the client and to the investment adviser, and how they are resolved. What steps are taken to minimize trade failures?
- I. Describe the Bidder's process in assisting clients in opening accounts in other countries. Describe the process in completing the necessary paperwork, including what resources DOI would need to dedicate. Please discuss its sub-custodians' willingness to accept modifications to standard templates.
- J. Describe how the client will be kept abreast as to the status of new accounts and market openings during the process.
- K. Describe the level of assistance the Bidder is willing to provide with respect to local tax requirements when opening new accounts.
- L. Describe the Bidder's ability to monitor for and proactively notify of any market documentation requiring renewal e.g. tax documentation, powers of attorney, account opening documentation.
- M. State the Bidder's fail rate for securities sold or purchased, by country, for each of the last three years.
- N. Describe the Bidder's policies regarding actual versus contractual settlement for domestic and international securities.
- O. Describe the Bidder's ability to integrate with a third-party securities lending agent and minimize the risk of settlement failures?
- P. Confirm if the Bidder has any existing third-party securities lending relationships and is able to provide custody position reports for the Portfolio Management System (PMS)/Order Management System (OMS) showing securities on loan, out for collateral and in custody.

II. Custody and Trade Settlement - Sub-Custodial Network

- A. Please provide the following information for each country in which the Bidder operates:
 - Name of sub-custodian bank and whether owned by the Bidder
 - Is the sub-custodian bank part of the Bidder's organization (affiliate or subsidiary of same parent)?
 - Date hired or established
 - Is the Bidder's sub-custodian a depository or clearing agent?
 - What is the U.S. dollar amount custodied as of December 31, 2024, for each country?
- B. List all sub-custodians terminated within the last five years and state the reason for and date of termination. (Please include an attachment as necessary.)
- C. Describe in detail how the Bidder selects sub-custodian banks, including due diligence it conducts when establishing registration. Please provide a registration due diligence checklist if the Bidder has one.
- D. Describe how the Bidder monitors sub-custodian performance. How often does it visit their offices?
- E. Does the Bidder guarantee all sub-custodian performance? Does it indemnify against losses caused by errors and omissions of sub-custodians?

III. Custody and Trade Settlement - Foreign Exchange

- A. Describe the Bidder's foreign exchange (FX) operations and capabilities. Please include whether it is able to process third-party transactions; the physical location of the operations for the traders and execution facilities; the number of people involved; timing requirements and response time; and currencies exchanged.
- B. State whether the Bidder performs FX transactions on a principal or agency basis.
- C. Describe the markup/mark down the Bidder charges custody clients for the following types of transactions: security buys and sells, repatriations, tax reclaims, and interest postings. At what time is the markup/mark down applied?
- D. Describe when FX transactions are executed (i.e., throughout the day, at open, at close, etc.) and whether orders are traded in large blocks or typically in smaller blocks over a longer period of time.
- E. Describe how the Bidder determines its trading strategy. How does it mitigate market impact risk?
- F. State whether the Bidder nets all client activity prior to making a FX transaction. If so, please describe in detail how it nets client activity and whether this is net client by client or if it nets across various clients when executing. Please differentiate between regulated and unregulated markets, if applicable.
- G. Describe how the Bidder demonstrates the competitiveness of its foreign exchange. Describe the level of transparency provided to clients on all transactions.
- H. State whether the Bidder ensures that custodial clients achieve best execution. Provide details.
- I. State whether the Bidder uses a competitive bidding structure to execute FX transactions.

- J. State whether the Bidder is able to provide performance reporting or best execution reports for FX transactions. What does it use as a benchmark for FX trades when evaluating execution quality? Please include a sample report.
- K. State whether there is online access to foreign exchange information.
- L. State whether the Bidder is able to provide a “time-stamped” FX trade and disclose at what price the Bidder valued the FX Trade. What fraction of a second will be reflected in the time stamp?
- M. Describe the percentage of the Bidder's custody and trust clients that utilize the Bidder for FX transactions versus a third party.
- N. Describe what if any, business risk the Bidder assumes as part of its exchange services.
- O. State whether security trades are treated differently than repatriation of dividends, corporate actions, and other periodic receipts.
- P. Describe the Bidder's standing instruction process and program options.
- Q. Describe the Bidder's compensation resulting from an exchange.
- R. State whether there is a standard fixed spread.
 - Does the spread vary by currency type?
 - Can a client negotiate the spread based on volume?
- S. Explain the process for batching, netting, pricing, and execution according to each different set of instructions currently in place across separate accounts/types of transactions.
- T. Describe the level of discretion the custodian allows the plan or investment manager in electing foreign exchange brokerage services.
- U. State whether the Bidder can provide execution cost transparency for foreign exchange execution on behalf of a client similar to the State conducted by brokerage. If yes, please provide the basis point cost and dollar cost (spreads and commissions) on the basis of total foreign exchange transaction dollar volume over each of the past 5 years, along with the calculation methodologies of these cost components.
- V. State whether the Bidder is willing to disclose both explicit and implicit costs of FX Trades. Provide details.
- W. State whether the Bidder flags off-market transactions (considered to be 10% or greater variance) automatically. Provide details.
- X. State whether off-market transactions are reviewed independently and the reasons for the price indicated in the review process. Please provide details.
- Y. State whether interest is paid on uninvested balances in foreign country accounts. Explain.
- Z. State whether the Bidder participates in Continuous Linked Settlement (CLS). Which bank counterparties participate with the Bidder in matching trades in CLS?
- AA. Describe how many counterparties does the Bidder trade with. What is the breakout of trading among these counterparties over the last one-year period?
- BB. Please describe the Bidder's counterparty risk management program as it relates to FX trading.

IV. Custody and Trade Settlement - Transition / Conversion

- A. Describe the Bidder's process for transitioning in new accounts. How much lead time does the Bidder require to proceed with the conversion? Provide a detailed conversion timetable for custody, accounting, alternative investment tracking, compliance, and performance, assuming a start date of November 1, 2025, and a conversion date of January 1, 2026. Include the communication and planning process with third parties, and market openings. Be specific about DOI's responsibilities and areas of involvement in the transition. This applies to incumbents as well as other Bidders.
- B. Describe the training the Bidder would provide to the client's staff during transition.
- C. Describe the Bidder's parallel processing plan during the conversion. What systems and process are truly paralleled in a test environment? How long does the Bidder recommend parallel processing?
- D. Describe how the Bidder ensures sufficient control during the transition period to assure that the process is successfully completed in both an accurate and timely manner.
- E. State whether the Bidder's transition team worked together before on a conversion over \$50 billion during the past two years. If so, please describe.
- F. List the professionals who are dedicated to transitions.
- G. Describe at what point in the transition the permanent client service team is brought in.
- H. Describe when a transition is deemed complete? Who signs off on a completed transition?
- I. Describe 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 and sub-custodians 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.

- J. Describe the Bidder's last comparable conversion, including the details of specific problems that occurred and the solutions implemented.
- K. Provide up to three large public fund references who were transitioned in the last three years.
- L. Provide up to three large public fund references who were transitioned out in the last three years.
- M. List the professionals who are dedicated to transitioning lost accounts.
- N. Describe the Bidder's process for transitioning out lost accounts.
- O. Describe any procedural or timing differences which may exist between transitioning an international portfolio and a domestic portfolio.
- P. Describe the Bidder's procedures for tracking and recording pending trades. How does the Bidder treat payables, receivables, and accrued income in existence at the date of the transfer?
- Q. Describe the Bidder's 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?
- R. Describe the anticipated areas of concern and heightened level of sensitivity during the conversion process. What should DOI be concerned about with respect to tax reclaims, re-registration, accruals, etc.?
- S. Describe how securities out on loan during the conversion process should be handled? What should DOI consider in terms of unwinding without a loss, novation, substitution, recall, etc.?

3.6.12.3 ACCOUNTING AND AUDITING

- A. State whether clients have a dedicated accounting team. Where are the accounting teams located?
- B. Describe the audit checks that are employed to confirm daily net asset values.
- C. Describe the Bidder's income collection and income crediting policies regarding crediting of interest/dividends and principal on contractual settlement date, including principal payments associated with mortgage- and asset-backed instruments.
- D. Describe the Bidder's international income collection and crediting policies by country. Be specific as to which countries are excluded from contractual settlement processes.
- E. Describe any special procedures the Bidder employs for processing, valuing, and reporting derivative products, including futures, forwards, options, etc.
- F. Describe the Bidder's ability to adhere to applicable GASB, FASB and other accounting requirements on all DOI accounts.
- G. State how many degreed accountants work in the Bidder's trust/custody and accounting departments and in what capacity.
- H. Provide an overview of the Bidder's accounting system and the basis it uses to record activity.
- I. Describe the processing of tax claims on foreign income and the level of DOI staff involvement. Can the Bidder's system maintain different entity types (e.g., public pension and state government) for one tax id number?
- J. Describe the Bidder's custodian/sub-custodian process and coordination with tax agents in markets that require them. Identify the markets requiring tax agents.
- K. Describe the process of accounting/collecting for tax claims from a prior custodial relationship.
- L. Describe any other services that are included in the Bidder's proposal outside the required Scope of Services. Indicate whether the services are available through an online platform.
- M. In Table 3.6.8.3(M) of Attachment 4, provide the trade volume (number and market value size) that the Bidder processed for the year ending December 31, 2024, and the percentage of failed trades for US securities.
- N. In Table 3.6.8.3(N) of Attachment 4, provide the trade volume (number and market value size) that the Bidder processed for the year ending December 31, 2024, and the percentage of failed trades for non-US securities.

3.6.12.4 PRICING AND VALUATIONS

- A. Provide an overview of the Bidder's service covering the process, people, systems and controls for security pricing and valuation services including:
 - Market data feeds
 - Data scrubbing and validation / verification
 - Treatment of daily price movements and unpriced securities
 - Yield based pricing for fixed income securities
 - Infrequently valued assets or illiquid securities
 - Uniquely structured securities (e.g. Indexed annuities with customised cash flows)

- Available price sources & validation for OTC pricing
 - Market exposure (including derivatives cash backing/synthetic cash)
 - Population to internal downstream systems
- B. Detail the Bidder's stale price monitoring processes and reporting to DOI, including a report showing on any given date the most recent valuation of each DOI investment.
- C. Detail the reporting the Bidder is able to provide to DOI which identifies for each security price the pricing source, and in particular flagging non-independent pricing.
- D. Detail how the Bidder prices securities when its pricing vendor(s) fail or are unable to provide a price.
- E. State whether the Bidder has the ability to support DOI defined price hierarchy at an account level. Explain.
- F. Confirm the Bidder's ability to align valuation requirements in accordance with DOI preferences including:
- Pricing vendors and application of hierarchy
 - Price types: bid/offer/mid
 - Start of Day / End of Day accruals
 - Trade date / Settlement date based valuations
 - Infrequently valued assets or illiquid securities
- G. For assets requiring independent valuation, confirm the Bidder is able to provide support based upon an agreed model with DOI or the ability to provide the data required for the model to a valuation agent and / or DOI.
- H. Confirm the Bidder is able to provide market exposure reporting from its books and records. What are the reporting mechanisms? Please provide examples of the Bidder's effective exposure methodology applied for reporting and sample reports.
- I. Detail how the Bidder ensures accuracy of the daily valuations at a portfolio level and any internal sign off processes before releasing information to DOI, via the proposed daily data feeds.
- J. Detail the exception management process for pricing and valuation errors.
- K. Provide an overview of pricing and valuation vendor relationship management (IDC, Markit, Bloomberg, other core data vendors).
- L. Detail the process to address price challenges from the Bidder's clients.
- M. Provide a copy of the Bidder's standard pricing and valuation policy and a brief overview of the review cycle, governance, and communication of changes to this policy.
- N. Describe the level of support that is provided to assist in answering and providing detail to clients and client auditors regarding valuation methodology, process, and results.

3.6.12.5 REPORTING

- A. Describe whether the custody system is integrated with the performance, accounting, alternative investment and reporting systems. Discuss how the systems function together. Do all systems run on the same integrated platform? Are they integrated through the same interface? If applicable, please include a description of the processes that are used to ensure the data between systems reconciles.
- B. Describe whether updates or changes to data on the custody system occur intra-day or do clients have to wait for the overnight process to run in order to view any changes.
- C. Describe the Bidder's system of quality control to ensure reporting accuracy. Are reports audited before they are delivered to clients? Who audits and corrects reports?
- D. Describe the Bidder's process for restating incorrect accounting statements and publishing new reports.
- E. Describe for what period of time is daily transaction and position information available online. How many years of data does your system have available online? Does this include back-loaded legacy data? If this varies by system (e.g., custody, accounting, performance, etc.), please provide by system.
- F. Discuss the Bidder's reporting capabilities, including a listing of asset/liability, income/expense, and transaction categories available. Can new categories be added?
- G. List and provide samples of the standard reports (audited and unaudited) provided by the Bidder's system. Note the frequency and time available for daily, monthly, quarterly, annually, and by exception. When are they delivered (i.e., time of day or number of business days after the end of the relevant period)?
- H. Describe what steps are taken to ensure the daily accuracy of the Bidder's reports. What reconciliations are performed? Are reports reconciled before they are accessible by clients? If so, by whom?
- I. Describe the process the Bidder would use to reconcile data and resolve discrepancies with respect to both the internally traded and external adviser accounts. How does the Bidder resolve discrepancies with investment advisers and how are errors or differences corrected? What internal tolerances does the Bidder use to investigate and challenge pricing with its external sources?

- J. State whether the Bidder has a deadline by which adjustments can be recorded to a prior month and, more specifically, to the June 30 financial records. Does the Bidder's accounting system allow for topside adjustments? Assuming the final fair values for alternative investment funds are not available for an extended period after the June 30 fiscal year closet, how will the adjustments be processed and recorded within the Bidder's system? Will the June 30 adjusted trial balances be online or off-line?
- K. Describe the integration and reconciliation procedures performed regarding client or third-party information reported in the custody/accounting, securities lending, and performance systems. In particular, describe in detail the applicable procedures employed to record securities lending activity in the daily and monthly financial statements.
- L. Confirm that the Bidder's systems have the ability to capture and report brokerage commissions by executing (not clearing) broker. Provide examples of such reports.
- M. Describe online editing, downloading and report writing capabilities. Describe what measures are taken to ensure the accuracy and timeliness of information available to the Bidder's clients online.
- N. Describe the hours during which the online system is accessible by the Bidder's clients.
- O. Describe the Bidder's internal procedures and controls to ensure 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
- P. Describe how the Bidder plans to provide custody, accounting and reporting on a legal entity basis for all Funds and performance reporting on an asset allocation plan basis for the Pension Fund. Include details of the system capabilities, which include, for example, whether individual assets are tagged or whether the system uses multiple sub-accounts within the custody and accounting modules. If there are multiple approaches available, please include pricing for each option.
- Q. For multi-currency reporting, state whether the report identifies: the country, the industry, the currency, and security levels. Does the Bidder have the capacity to report in both the local currency and translate to the reporting currency?
- R. Describe the Bidder's process for providing customized reports 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?
- S. Describe any recent or planned reporting enhancements.
- T. Provide three examples of the Bidder's capabilities to assist clients in responding to evolving regulatory requirements. (Please be specific about current efforts with respect to Dodd Frank, Anti-Money Laundering Act of 2020, etc.)
- U. Describe the Bidder's capabilities to assist clients to comply with GASB reporting requirements.
- V. Describe the Bidder's ability to provide daily unitization. Are there any limits to the number of investment pools or holder groups? Please describe the level of report customization available.
- W. Provide a sample of unitized reports by holder group.
- X. State whether the Bidder provides "look through" capabilities for holdings in commingled funds, limited partnerships, and similar entities.
- Y. Provide a brief overview of the Bidder's service covering the process, people, systems, and controls for the support for any regulatory reporting including:
 - Any/all regulators & reporting that are either directly and/or indirectly supported
 - Specific data files provided
- Z. Confirm the Bidder's ability to support reconciliation of investment accounting to the various regulatory reports including the ability to drill into reports.

3.6.12.6 ALTERNATIVE INVESTMENT PLATFORM

- A. Provide an overview of the Bidder's service covering the process, people, systems, and controls for integration of private markets data into its core custody, accounting, taxation, reporting, performance, and risk systems.
- B. Detail the Bidder's notification and management process for payments (e.g., capital calls) via standing orders, including verification undertaken prior to processing a capital call and requirements for funding in foreign currencies.
- C. State whether the Bidder's Alternative Investment Platform software is proprietary to the Bidder or provided through a third party.

- D. State whether the Bidder will provide administrative and technical support for the use of the software.
- E. Describe the process for loading historic cash flows and performance data into the software product, as well as for providing, in electronic form, detailed summaries of all portfolio partnerships' documents and terms as well as the documents themselves in digital form.
- F. Describe the plan for accomplishing the conversion and how the platform operates.
- G. Detail the Bidder's ability to have these assets registered in its name as custodian and provide an overview of the process.
- H. Provide an overview of how the Bidder supports an efficient investment and divestment process of its clients for the following types of assets:
 - Property: Fund investments
 - Infrastructure: Direct investment, Fund investment, Co-investment
 - Private Equity investments
 - Unlisted Securities

3.6.12.7 CASH MANAGEMENT

- A. List the investment vehicles that are available to DOI for short-term investments (e.g., sweep vehicle, short term investment fund (STIF), etc.). Please identify and describe the following for each fund or investment vehicle:
 - Investment Philosophy/Investment Advisor
 - Objectives and Guidelines
 - OCC Reg 9 or SEC Rule 2a-7
 - Exposure Limits
 - Credit Quality
 - Duration
 - Maturity
 - Derivatives Policy
 - Floating Rate Note Policy
 - Annual Investment Performance Net of Fees - for the last five years
 - Total expense ratio, including management fees
 - Availability of daily liquidity
 - Description of any defaults, asset write-downs, required cash infusion to preserve principal value or other problems since inception.
- B. State whether any of the short-term investment vehicles available to tax-exempt funds and public funds above ever broken the \$1 (buck or par) or experienced losses or liquidity restrictions. Please explain.
- C. For each of the short-term investment funds or vehicles available, state the market values as of December 31, 2024. For each of the funds, what is the market value holding percentage controlled by the three biggest participants in the funds?
- D. State whether the Bidder charges daily transaction costs for cash sweeps or 12-b1 fees.
- E. State whether interest is paid on uninvested balances in foreign country accounts. Explain.
- F. State whether there is an automatic cash sweep into a STIF account. Can the Bidder accommodate a sweep into an externally managed STIF? Please discuss whether the use of external funds would cause delays in cash sweep transactions or require an earlier cut-off time for transactions and measures that the Bidder would take to mitigate such issues.
- G. If a client overdraws an account for an overnight investment, state whether the client is charged the STIF rate for the overdraft.
- H. If the bank erroneously debits an account overnight, state at what rate the bank will reimburse the client for the overnight use of client funds.
- I. State how often STIF interest is accrued and when is it credited.
- J. State the Bidder's time deadline for a wire to be credited the same day. What is the time deadline for initiating wires?
- K. Please describe the cash management section and provide biographies of the people involved in managing the STIF.
- L. Describe what provisions there are for the investment of non-dollar balances. Are there minimum balances required and, if so, what are they?
- M. Describe the Bidder's daily overdraft policy. What is its schedule of charges for overdraft positions?
- N. Overdrafts can occur because of the failure of the custodian to deliver the requisite foreign currency to settle a trade, differing settlement standards (asset class and countries), sub-custodian error, inability to recall

securities that are out on loan, errors in trade processing and cash position monitoring, failure to communicate and reconcile with the DOI and its investment advisers daily, and/or a trade fail that emanates from the custodian. Describe the Bidder's policy regarding overdraft charges. Does the Bidder automatically apply overdraft charges regardless of the party in error?

- O. Related to the question above, if custody related overdrafts occur, state whether DOI has the right to receive reimbursement equal to what the Bidder's overdraft charges would be on a daily basis that the overdraft position is open or unresolved. Please explain.
- P. State the cut-off time for cash contributions received during the day in order to be invested the same day? What is the latest cut-off by sweep vehicle or fund? Please provide details.
- Q. States the Bidder's notification period for cash disbursements. Please provide details.
- R. State whether the Bidder has the capability to provide a cash availability projection report by currency. How many days is the cash projection (i.e., 5 days, 10 days, 30 days, 60 days, or 90 days)? Please provide details.
- S. Describe the Bidder's policy on the collection and crediting of domestic and foreign dividend and interest payments. When are the funds credited and available for use? Provide a country-by country analysis.

3.6.12.8 CORPORATE ACTIONS

- A. Provide an overview of the Bidder's corporate actions management services covering the process, people, systems, and controls including:
 - Capturing & recording entitlements
 - Elective vs mandatory actions
 - Events instructions and validation
- B. Describe how the Bidder provides notification of voluntary and mandatory corporate actions including dividend payments, stock splits, mergers, acquisitions, tenders, warrants, puts, calls, and other non-scheduled redemptions, in a timely manner to DOI. How does it ensure that the corporate action is responded to in a timely manner by DOI?
- C. If the custodian, or its sub-custodian or its depository makes a mistake on a corporate action for which it received information and proper instructions that results in a loss to a client, describe the custodian's procedures for reimbursing the client.
- D. State whether the Bidder's program accommodates a dividend reinvestment plan for stocks or REITS. Please explain.
- E. Outline the Bidder's online capability for clients to monitor upcoming events and instruct on elective events covering both equity and fixed income securities.
- F. Detail the Bidder's ability to support standing instruction requirements for clients.
- G. Detail the Bidder's ability to support ex-date processing across all asset types, including FI entitlements.
- H. Provide screen shots of operational dashboards available for this service to monitor performance.
- I. Provide a sample of daily reporting available for the service.
- J. Provide a sample of the monthly Key Performance Indicator (KPI) reporting available for the oversight and management covering volumes & service performance analysis.

3.6.12.9 CLASS ACTION CLAIMS

- A. Describe the Bidder's class action claims services in detail.
- B. State whether the Bidder's system is able to advise clients of significant dates and deadlines in respect to legal proceedings, including but not limited to opt-out elections in class action litigation, deadlines for filing claims and deadlines for filing bankruptcy notices or claims.

3.6.12.10 PROXY PROCESSING

- A. Describe the Bidder's proxy processing services in detail.
- B. For foreign securities, describe the custodian's procedures for notification and processing of "blocked" shares during proxy voting periods. Does the Bidder offer segregated accounts to facilitate proxy voting in any markets?
- C. Where the Bidder's response in the supporting "Service Catalog Coded Response" (Excel Workbook) Custody & Safekeeping is 'P, D, or C' please provide additional information in the Comments tab to the Excel Workbook to support its response, focusing on areas where the Bidder sees the greatest value to DOI.

3.6.12.11 PERFORMANCE MEASUREMENT AND ANALYTICS

- A. Describe any unique features of the Bidder's performance system.
- B. State whether there is a dedicated performance and analytics group, if so, describe the group, including the credentials, and practical experience in performance measurement, attribution theory, performance calculation, and performance report presentation.
- C. Describe the performance attribution services(s) and reports included in the Bidder's proposal, including respective methodologies for each asset class. Does the Bidder offer the ability to calculate performance for each asset class using both time-weighted and dollar-weighted calculation methodologies? Please discuss how the performance calculation system accounts for cash flows, both large and small.
- D. State whether the Bidder can provide performance on the basis of gross-of-fees and net-of-fees.
- E. Describe in detail the Bidder's performance measurement and analytic services for alternative investments and the ability to adjust for lagged measures. Describe the treatment of distributions, capital calls and fees.
- F. Provide samples of reports, as well as screenshots of key aspects of the Bidder's system's capabilities.
- G. Describe what optional reports are available. How are special requests handled? Is the Bidder's system flexible enough to accommodate tailored reporting requirements? Confirm that the system will be able to supply the required information for the Monthly Director's Reports (Attachment 6) by the eighth (8th) business day of the following month. How are users trained on the creation and modification of reports, and what documentation on the performance system is available to clients?
- H. Specifically describe how data is loaded into the system (i.e., electronically, manually, etc.) by asset class, including alternative investments and the timing for loading (i.e., daily, weekly, monthly).
- I. Describe how the asset data moves from custody to accounting to performance to reporting, including details on the reconciliation process that is executed to ensure all functional areas have an accurate and consistent view of the client's holdings and performance. How is the performance data and reporting would be made available to DOI.
- J. Describe what models/hierarchies/attribution (i.e., sector/sub-industry; region/country, etc.) are available in the performance system. How flexible are these models? Can new models be constructed? Please provide a sample report.
- K. 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 the Bidder uses an outside vendor's service. If the Bidder uses outside vendors, list them.
- L. State how frequently performance reports are available (i.e., daily, monthly, or quarterly) and when audited performance results are available (i.e., number of business days after end of the reporting period).
- M. Where applicable, describe how the Bidder's performance system handles financial futures, options, and forward contracts?
- N. State how many portfolios, by type, the Bidder measures each quarter. For how many clients? What is the average portfolio size? Client size?
- O. List the outside data sources used in the Bidder's performance reporting.
- P. State whether month-end reports, including the following, will be available by the eighth (8th) business day of the following month.
 - Returns
 - Analytics
 - Rankings
- Q. Describe the types and sizes of your databases for the following:
 - Total Funds
 - Equity Styles
 - Fixed Income Styles
 - International Investments
 - Emerging Markets (including frontier)
 - Real Estate
 - Private Equity
 - Private Credit
 - Hedge Funds (including fund-of-funds)
 - Real Assets
 - Opportunistic Private Equity
- R. Describe how the Bidder measures/ranks private market performance.

- S. State whether the Bidder's performance calculations are consistent with CFA Institute standards for performance measurement and GASB 67 standards for financial reporting. Describe the process to ensure GIPS compliance.
- T. Describe in detail how the Bidder's system treats cash flows in accounts for computing performance.
- U. List the global indices the Bidder provides access to for benchmarking and building customized benchmarks. Can the Bidder create a customized index/blended benchmark for a particular account? Does DOI need to subscribe to any providers separately?
- V. Discuss the Bidder's system's ability to provide performance and attribution for derivatives, including but not limited to leverage and hedging.
- W. Discuss the Bidder's system's ability to provide attribution calculations common to passively managed portfolios, including but not limited to:
 - Cash drag
 - Futures impact
 - Trade variance
 - Contribution to return from dividend withholding tax schemes
- X. Discuss the Bidder's system's ability to decompose US dollar denominated returns of international portfolios into local and FX components.
- Y. Discuss the Bidder's system's ability to provide investment performance, including, but not limited to, internal rate of return, investment multiple, etc., for private markets.
- Z. State whether the Bidder's system has online 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?
- AA. Describe the linkage from the accounting data to the performance system. What reconciliation procedures are performed? Is the performance measurement system integrated with the accounting platform? Provide details.
- BB. Confirm the Bidder'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.
- CC. Provide details about how performance, gross and net of fees, is calculated for each period.
- DD. Describe the Bidder's reconciliation procedures with investment advisers for performance results and how any discrepancies are resolved and communicated to the client.

3.6.12.12 RISK SYSTEM

- A. Provide an overview of the Bidder's services covering the process, people, systems, and controls for the provision of risk analysis and reporting. Confirm the risk calculation methodology applied for each asset class and please provide a high-level description of the methodology if the system is proprietary based.
- B. Detail the Bidder's ability to develop and maintain proxies for alternative assets on an integrated basis. This may include utilizing actual performance history time series.
- C. Explain the level of client tailoring available, e.g. client specified assumptions and scenarios.
- D. Provide sample reports and screen shots illustrating the capabilities of the system/platform.
- E. Describe how data from the organization's other systems are fed into the risk management platform, and the details on the reconciliation process used to ensure the data is up-to-date, accurate, and consistent with other systems including but not limited to custody, accounting, performance, and alternative investments.
- F. Describe the ability to customize reports, including sample reports. What training documentation and client support is available to assist with customizing reports?
- G. Indicate additional third-party services and data providers required for full implementation and whether the firm will be subcontracting those services.

3.6.12.13 COMPLIANCE MONITORING AND REPORTING

- A. Describe the Bidder's compliance monitoring services in detail and how the Bidder will comply with the requirements of Section 4.13.
- B. Describe the Bidder's rule programming process. Does it have a centrally managed compliance rule writing team that maximizes its knowledge of programming through sharing or is it done by staff assigned to each client relationship?
- C. Describe how the Bidder works with new clients to adapt its system to their unique requirements?
- D. Describe how long it usually takes to implement a compliance program for a new client of similar size and scope as DOI.

- E. State whether the Bidder's compliance service conducts off-line manual tests if its online system is unable to conduct the test. Please indicate which tests the system can do online versus manual.
- F. State whether the Bidder has the ability to identify new regulations in global markets? Describe the Bidder's ability to perform global market compliance rule testing and foreign investment disclosure monitoring. Describe the Bidder's ability to file and/or assist DOI in filing reports to relevant agencies, both foreign and domestic.
- G. State whether the Bidder has the ability to draft Section 13(f) filings?

3.6.13 ADDITIONAL TECHNICAL PROPOSAL REQUIREMENTS FOR MIDDLE OFFICE (INVESTMENT OPERATIONS) SUPPORT SERVICES BIDDERS

In addition to the requirements in Sections 3.6.1 through 3.6.11, Bidders for middle office (investment operations) support services should:

3.6.13.1 GENERAL

- A. Describe the specific investments that have been made to improve the Bidder's Middle Office operations over each of the last three years. Please specify dollar amounts by year and by project.
- B. Describe the Bidder's current plans improve its Middle Office product. Discuss the potential for service disruption as these improvements are implemented.
- C. State whether the Bidder has acquired any Middle Office business from other Middle Office providers. If so, describe the business acquired and the status of the transition.
- D. Describe the Bidder's policies regarding confidentiality of client information.
- E. Describe the external audit relationship and internal audit organization controls the Bidder has in place to assure that its Middle Office services are provided in accordance with proper standards of care, regulatory requirements, and contractual agreements in place.
- F. Describe the resources dedicated to regulatory affairs relating to the middle office businesses. Detail the Bidder's efforts to comply with recent and upcoming financial regulation legislation (e.g. Economic Growth, Regulatory Relief, and Consumer Protection Act, Anti-Money Laundering Act of 2020). How will this affect both operations and future budgets for the middle office division?
- G. Describe what it means to be a successful provider of Middle Office services. How does the Bidder think that will change in the next five years?
- H. Describe three recent examples where the Bidder exhibited "thought leadership" in relation to Middle Office services.

3.6.13.2 POST TRADE MANAGEMENT

- A. Provide an overview of the Bidder's service covering the process, people, systems, timelines, and controls for the provision of trade support services denoting where there are differences between instrument types (e.g., ETD, FX, OTC derivatives, MMKT) including:
 - Trade flow and trade capture
 - Trade matching, enrichment, instruction, and settlement process
 - Trade affirmation and confirmation handling
 - Cancellation and rebooking process
 - Pre-settlement monitoring and fail management
 - Trade claims and non-receipts management
 - List and describe the physical locations from which the services will be provided.
- B. Note any specific different flows or processes between money market instruments, FX, ETD securities and capital market instruments.
- C. Provide details on transaction cut off times for each market where trades are conducted. What are the processing times for transactions received both before and after agreed cut-offs?
- D. Provide an overview of the new security set up process and interaction with the PMS/OMS.
- E. Detail the Bidder's service covering the process, people, systems, and controls for the provision of services including:
 - Instruction method for unit trust and hedge fund transactions both for the initial investment and subsequent transactions
 - The completion and lodgement of application and redemption forms etc.

- Reconciliation and monitoring of unit holding holdings and distributions/reinvestments with registrars.
- Ability to record the unconfirmed trade and update post the receipt of confirmed unit prices
- F. Detail the Bidder's service covering the process, people, systems, and controls for the provision of services including:
 - Instruction method for unlisted funds (Mutual funds, UCITS, & OIECs, etc.)
 - New account creation
 - Initial subscription and trading chain with use of ISIN
 - Reconciliation and monitoring of lifecycle events with registrars
- G. Provide screen shots of operational dashboards available for this service to monitor performance.
- H. Provide a sample of daily reporting available for portfolio transactions re: trade capture / matching / settlement.
- I. Provide information about typical exception handling and protocols for engaging with/escalating to client.
- J. Provide a sample of the monthly KPI reporting available for the oversight and management covering volumes, STP / matching rates, fail stats, broker, and custodian performance analysis.

3.6.13.3 DERIVATIVES CLEARING AND LIFECYCLE MANAGEMENT

- A. Provide a brief overview of the Bidder's service covering the process, people, systems, and controls for the provision of OTC trade support including:
 - Trade flow, capture and security set up/enrichment
 - Trade matching/confirmation and settlement process with counterparties
 - Monitoring and processing interest receipts / payments
 - Resets / maturities / early terminations / novation's / credit default events
 - Position and cash reconciliations
- B. Detail the Bidder's ability to provide independent valuations including valuation & price sources and controls to ensure accuracy and timeliness of information.
- C. Provide details on instructions and processes to perform trade compression across OTC positions.
- D. Provide details of OTC Regulatory & Trade Reporting capabilities including sample reports and scope of validation of completeness / accuracy to regulator reporting requirements.
- E. Provide screen shots of operational dashboards available for this service to monitor performance.
- F. Provide a sample of daily reporting available for the service.
- G. Provide a sample of the monthly KPI reporting available for the oversight and management covering volumes & service performance analysis.
- H. State whether the Bidder has different levels of service available for each of the Middle Office services being proposed. If so, please explain.
- I. State whether the processing of derivative instruments such as futures, swaps, and options is done within the main accounting system. Is there a separate module or system dedicated to handling such securities?
- J. Describe how performance is calculated for derivatives?
- K. Describe the structure of the team that supports derivative servicing, including biographies on the key individuals and locations.

3.6.13.4 COLLATERAL MANAGEMENT

- A. Provide a brief overview of the Bidder's service covering the process, people, systems, and controls for the provision of collateral and margin management services including:
 - Storage and application of Credit Support Annex agreements
 - Calculation of counterparty exposures
 - Issuing and monitoring of counterparty collateral call notices
 - Validation of counterparty collateral call notices
 - Position, valuation and cash movement reconciliations
 - Dispute resolution process and how valuation differences would be communicated
- B. Detail collateral reporting available including timeframes/frequencies these would be received.
- C. Detail the Bidder's process surrounding monitoring open positions / variation margin and fees charged for exchange-traded derivatives with clearing brokers.
- D. Detail the Bidder's process to monitor / calculate daily margin requirements for exchange-traded derivatives. Outline how these are instructed to the clearer to move funds.
- E. Provide screen shots of operational dashboards available for this service to monitor performance.

- F. Provide a sample of daily reporting available for the service.
- G. Provide a sample of the monthly KPI reporting available for the oversight and management covering volumes & service performance analysis.
- H. When marking collateral with a dealer, state whether the Bidder relies on the dealer's price or is using an independent, third-party valuation.
- I. For reconciliation, state whether the Bidder follows the guidelines set by the International Swaps and Derivatives Association (ISDA) on which attributes should be reconciled for each type of derivative. If not, how does it determine which attributes to reconcile?
- J. Describe the electronic tools the Bidder utilizes to provide these services. Specify if they are proprietary, off-the-shelf, or a combination.
- K. State whether clients have access to information online. If so, describe.

3.6.13.5 RECONCILIATION

- A. Provide a brief overview of the Bidder's service capabilities covering the process, people, systems, and controls for the provision of daily reconciliations to support the accuracy of the investment accounting records, for valuation and support Start of Day (SOD) positions.
- B. State whether the Bidder's middle office system is integrated with its investment accounting system and custody records. How does it ensure consistency in these records on a daily basis? Please describe the controls and processes across assets, cash, accruals, dividends / corporate actions, data, pricing, and valuation to keep the records in alignment and other downstream systems.
- C. Describe the Bidder's capability to perform daily SOD reconciliation services facilitate and support reconciliation processes with clients "PMS/OMS" systems e.g. Charles River, Bloomberg etc.
- D. For SOD reconciliations, describe how the Bidder manages position reconciliation in regard to market identifiers and handle matching nonmarket securities to its records. Secondly, describe the Bidder's approach to resolve exceptions within the clients PMS/ OMS records via data files or reports for adjustment to be made by the client.
- E. Describe the Bidder's portfolio reconciliation (holdings, accruals, price, and market value, etc.) frequencies for third party investment managers. Briefly describe the Bidder's reconciliation process, whether it is line by line, reporting, follow-up of exceptions and systems utilized for the reconciliation process. Outline the standard tolerance limits. Provide an overview of how these reconciliations are shared across the accounting and performance teams and to clients.

3.6.13.6 REGULATORY REPORTING

- A. Provide examples of sample regulatory reporting available to clients and methods of delivery of reporting available to clients.

3.6.13.7 ADDITIONAL SERVICES

- A. Provide details on any other middle office services available to DOI that are not included in the responses to the above questions.

3.6.14 ADDITIONAL TECHNICAL PROPOSAL REQUIREMENTS FOR SECURITIES LENDING SERVICES BIDDERS

In addition to the requirements in Sections 3.6.1 through 3.6.11, Bidders for Securities Lending Services should:

3.6.14.1 GENERAL

- A. Describe the Bidder's risk management oversight of the securities lending business.
- B. Provide names and brief profiles for the individuals responsible for the lending function and the cash collateral reinvestment function. If applicable, provide details by asset class.
- C. State whether the Bidder subcontracts any of the securities lending services. If yes, provide details.
- D. Disclose how many clients or aggregate asset size the Bidder can effectively handle and discuss why. Does the Bidder's securities lending program have any capacity limitations?
- E. Describe the resources dedicated to regulatory affairs relating to the securities lending businesses. Detail the Bidder's efforts to comply with recent and upcoming financial regulation legislation (e.g. Economic Growth, Regulatory Relief, and Consumer Protection Act, Anti-Money Laundering Act of 2020). How will this affect both operations and future budgets for the securities lending division?

- F. Describe what specific investments have been made to improve the Bidder's Securities Lending operations over each of the last three years. Please specify dollar amounts by year and by project.
- G. Describe the Bidder's current plans to improve its Securities Lending product? Discuss the potential for service disruption as these improvements are implemented.
- H. Describe the Bidder's policies regarding confidentiality of client information.
- I. Describe the external audit relationship and internal audit organization controls the Bidder has in place to assure that its Securities Lending services are provided in accordance with proper standards of care, regulatory requirements, and contractual agreements in place.
- J. Describe what it means to be a successful provider of Securities Lending services. How does the Bidder think that will change in the next five years?
- K. Describe three recent examples where the Bidder exhibited "thought leadership" in relation to Securities Lending services.

3.6.14.2 SECURITIES LENDING CAPABILITIES

- A. Provide a brief narrative (not exceeding 3 pages) outlining the Bidder's technical approach and highlighting capabilities. Include any differentiating factors.
- B. Describe how the Bidder manages the coordination of trade settlements, corporate actions, dividend collection, etc. with the part of its organization providing custody services. Does the Bidder provide guarantees?
- C. State whether the Bidder employs a "fees for hold" arrangement within its securities lending program? If so, please describe.
- D. Describe the policies and procedures the Bidder's traders follow in the negotiation of rebate rates.
- E. List the countries that are involved in the lending program. What is the estimated spread to Federal Funds rate in each country by security type?
- F. Over each of the last three calendar years, state the average percent of eligible securities on loan and the average spread earned for each of the following asset types:
 - Domestic Equities
 - Government Bonds
 - Corporate Bonds
 - International Equities

3.6.14.3 SECURITIES LENDING RISK MANAGEMENT

- A. Describe how the Bidder manages the following risks.
 - Borrower/Counterparty Risk and Default Risk
 - Collateral Reinvestment Risk
 - Interest Rate Risk
 - Credit Spread Risk
 - Trade Settlement Risk
 - Operational Negligence
 - Sovereign Risk
 - Currency Fluctuation Risk
- B. Describe how the Bidder manages risk related to indemnifications on a program-wide basis.
- C. Describe any losses the Bidder has experienced due to operational negligence, collateral reinvestment and/or security specific reinvestments, and/or borrower default since the inception of its securities lending program. What was the recourse provided to clients and the level of dialogue to explain (resolve) the issues?
- D. State whether there been any other instances over the past five years where the Bidder incurred negative yields.
- E. State whether the Bidder has a dedicated risk and compliance officer monitoring the securities lending program? If so, what are the manager's responsibilities? How does the manager accomplish his/her mandate objectively?
- F. State whether the Bidder has pre- and post- trade compliance systems to ensure compliance with fund guidelines.
- G. Describe how the Bidder conducts asset/liability (gap) analysis, specifically the duration of the loan and cash investments. On what frequency?
- H. State whether the Bidder stress tests its securities lending program. Describe the methodology and procedures utilized for stress testing, including the frequency of testing.

- I. Specify in table 3.6.10.3 (I) in Attachment 4 the weighted average duration mismatch between lending and reinvesting for the quarters listed therein. (Provide separate answers for each lending pool or separate accounts that the Bidder offers in its program.)
- J. Describe the Bidder's management of asset/liability duration mismatch. How is it controlled? Have any clients suffered losses due to this mismatch? Have any clients requested refund of losses suffered because of mismatch?
- K. Describe the Bidder's management of quality mismatch. How is it controlled? Have any clients suffered losses due to this mismatch? Have any clients requested refund of losses suffered because of mismatch?
- L. Can the Bidder's program ensure the protection of voting rights by consistently recalling the stock prior to proxy record date? If so, describe the process. Describe the Bidder's ability to report on companies likely to file proxies in the upcoming month based on historic record dates, and the Bidder's ability to provide updates to DOI on the number of shares it has on loan.
- M. What additional safeguards are offered by the Bidder to its lending participants?

3.6.14.4 SECURITIES LENDING COLLATERALIZATION

- A. List the types of collateral the Bidder is willing to accept. What is the percentage breakdown of the collateral types the Bidder holds on average? Where are these securities held in custody? Where are the collateral reinvestment securities held in custody? What is the percentage breakdown of collateral types the Bidder's program holds on average?
- B. List the investment vehicles the Bidder has historically used for cash collateral investment. Summarize monthly performance for the last three calendar years through December 2024 and the three months ending March 2025 of each vehicle, as well as the investment philosophy, investment guidelines and performance objectives for each vehicle.
- C. Describe the fees charged for investment management/custody of collateral investments?
- D. Submit the collateralization level proposed for the DOI (cash and cash equivalent collateral) program by lendable asset type (e.g., US dollar denominated equities, international equities, US Treasuries, etc.). Please note in accordance with N.J.A.C.17:16-5.4(b) in no event shall the required collateral level be less than 100 percent of the market value of the loaned securities.
 - What value (market value only, including accrued interest, etc.) is the basis for this percentage?
 - Indicate whether the daily mark-to-market collateralization differs from the initial collateralization level.
 - When is additional collateral requested (same day, next day)?
- E. Describe how collateral reinvestment management is handled and the role and function of the credit analysis team.
- F. State how far below the required collateralization percentage must the collateral dip before a margin call is made.
- G. State whether the mark-to-market process is done by loan or in aggregate? Please explain.

3.6.14.5 SECURITIES LENDING BORROWER CONSIDERATION

- A. Describe the part of the organization that is responsible for the credit review and approval of counterparties. Are the members of this team dedicated to the securities lending program? What is the reporting structure of the team?
- B. Describe the Bidder's credit analysis process for approving and monitoring the borrowers who participate in its securities lending program (both international and domestic). How are credit limits determined for borrowers and how often are credit limits reviewed? Are credit limits set in conjunction with other areas of the organization? Has the Bidder ever dismissed or penalized a borrower within its program? Please describe.
- C. Furnish a copy of the Bidder's standard Borrower's Agreement(s) specific to Securities Lending done on an agency basis. Please indicate if the Bidder would be amenable to modifications which may be required by DOI. Please advise if this may impact the Bidder's projected program utilization for the DOI program in any way.
- D. Describe how the Bidder risk adjusts credit limits based on securities borrowed.

- E. Provide a list of the Bidder's current borrowers and their credit rating. Identify the top ten borrowers and the percentage these borrowers represent of the total program. Can a client restrict a program to specific borrowers?
- F. Identify the advantages the Bidder has in dealing with broker/dealers and how this benefits its clients.
- G. State whether the Bidder proactively visits borrowers at least once a year. Kindly state when was the last time the Bidder visited the top ten borrowers within its program and enumerate accordingly.
- H. State whether the Bidder has compensation arrangements with borrowers beyond the normal form of negotiating rebates/fees. If so, please explain.

3.6.14.6 SECURITIES LENDING INDEMNIFICATION

- A. Describe the Bidder's full collateral, operational and borrower default indemnification offerings. Be sure to address the following:
 - Borrower files for bankruptcy for whatever reason;
 - Failure to recall securities before settlement date;
 - Failure to secure additional collateral and margin requirements;
 - Failure to receive dividends, distributions, and all economic benefits of ownership;
 - Immediate use of non-cash collateral in lieu of borrower bankruptcy;
 - The timeframe for declaring borrower default upon a triggering event and the timeframe for reimbursement to DOI after such event.
- B. State whether the Bidder provides additional types of indemnification beyond broker default (i.e., collateral, negligence, trade settlement, etc.). Does the Bidder's proposal include the provision of additional levels of indemnification? If so, describe in detail.
- C. Assuming full indemnification for collateral reinvestment risk, describe the parameters of the Bidder's bid proposal for securities lending splits and assets to lend. What are the specific limitations of the Bidder's indemnification? Include a specific discussion on how the Bidder determines when the default has occurred, when the indemnification is effective and on what valuation date the amount of default is determined. Please provide an explanation of any scenario where the Bidder will not make a client whole on losses.
- D. State whether the Bidder specifically provides cash or securities in the event of a borrower default. If securities, is the Bidder responsible for re-purchasing loaned securities in the market after a borrow default, and what is the contractual timetable for doing so? Who bears the cost associated with security re-purchase?
- E. Please provide the specific indemnity language for each type of indemnification the Bidder is offering with its bid. How do the Bidder's indemnifications differentiate the Bidder from its competitors?

3.6.14.7 SECURITIES LENDING LIMITATIONS AND ALLOCATION

- A. State whether the Bidder has an internal limit on how much of a client's portfolio of lendable assets can be lent on any given day. If so, describe the Bidder's policy.
- B. Related to the question above, state whether the Bidder also has an internal limit on how much of a client's lendable assets can be lent to a single borrower on any given day. What is the exposure limit? Is it possible that a single client can be exposed to a single borrower at any given time?
- C. State whether the Bidder has a lending limit policy for small capitalization securities. Please describe how the Bidder mitigates trade fails or other issues associated with the recall of small capitalization securities.
- D. Describe what types of limits or restrictions can be automated by the Bidder's lending system (e.g., by security, by market cap, by short interest percent).
- E. Describe the Bidder's queuing or loan allocation system. Does the Bidder provide equal opportunity to all clients to lend their securities? Does the Bidder intervene in the allocation or queuing process, and if so, under what circumstances? Does the Bidder assign credits to different clients? If so, describe specifically how and on what basis those credits are assigned. Is the maintenance of the queue audited regularly? Provide details on how DOI would rank within the Bidder's current system.
- F. In adding new clients to its program, describe how the Bidder ensures that the additional lendable assets do not have the impact of diluting utilization and/or earnings for existing clients.
- G. Describe the Bidder's process for determining borrower allocations when multiple lenders have the security available to lend.
- H. State whether the Bidder is able to monitor borrowers for proxy manipulation within the program. Please describe the monitoring process for both domestic and international markets.
- I. State how many lending pools the Bidder has. Describe the lending pools (e.g., collateral type, plan sponsor type, asset, calls, etc.) and how client assets are assigned to the lending pools.

3.6.14.8 SECURITIES LENDING REPORTING

- A. Provide an overview and samples of the types of reports that are available for securities lending and indicate whether the reports are available online via the internet. Are the reports updated daily? How much report format flexibility is available?
- B. State whether the Bidder is able to provide internet access to information about the Bidder's securities lending program, including loans outstanding, shares on loan, days out on loan, term or open trades, borrowers for each block of securities lent, collateral portfolio details, collateralization levels, earnings, and other daily and monthly reporting requirements. If yes, provide samples.
- C. State whether the Bidder provides an attribution analysis for its securities lending program. If so, please describe.
- D. Describe the audit trail process provided to the Bidder's securities lending clients.
- E. Describe how the Bidder supports GASB reporting requirements.

3.6.14.9 SECURITIES LENDING SYSTEMS AND TECHNOLOGY

- A. State whether the Bidder has an Internet based auction lending capability. If so, describe, including inception, extent of applications, competitive bidding process, etc.
- B. List the system(s) the Bidder utilizes for lending securities and collateral reinvestment? Are the systems proprietary or third party? What is distinct about the Bidder's current system? Is the system only for lending? Is the system used for reinvesting?
- C. Describe the Bidder's business continuity and disaster recovery plans. What will be the recovery times and service level for critical securities lending services in the case of a major disaster?

3.6.14.10 SECURITIES LENDING REVENUE ESTIMATES

- A. Provide five (5) estimates of the Bidder's program's securities lending program revenue using assets held as of December 31, 2024, as shown in Attachment 7.
 - 1. Please complete Table 3.6.10.10(A)(1) in Attachment 4 for the collateral reinvestment option specified in Section 4.15.H.1. The investment in repurchase agreements shall comply with the investment guidelines specified in Attachment 5. Assume the lender invests 100% of the collateral portfolio. Estimates should be prepared on a look back basis utilizing the trailing twelve months from December 31, 2024.
 - 2. Please complete Table 3.6.10.10(A)(2) in Attachment 4 for the collateral reinvestment option specified in Section 4.15.H.1. The investment in repurchase agreements shall comply with the investment guidelines specified in Attachment 5. Assume the investment of the collateral portfolio is split between the lender and the agent. Specify the assumption used with respect to the split. Estimates should be prepared on a look back basis utilizing the trailing twelve months from December 31, 2024.
 - 3. Please complete Table 3.6.10.10(A)(3) in Attachment 4 for the collateral reinvestment option specified in Section 4.15.H.2. The investments shall comply with the investment guidelines specified in Attachment 5. Assume a weighted average maturity (WAM) for the collateral portfolio of 60 days a maximum security maturity of 13 months. Assume the agent invests 100% of the collateral portfolio. Estimates should be prepared on a look back basis utilizing the trailing twelve months from December 31, 2024. Estimates should be prepared using a weighted average maturity for the collateral portfolio of 60 days and a maximum security maturity of 13 months for the portion of the portfolio that is assumed to be managed by the agent.
 - 4. Please complete Table 3.6.10.10(A)(4) in Attachment 4 for the collateral reinvestment option specified in Section 4.15.H.2. Assume the agent invests some portion of the collateral portfolio and specify the optimal percentage. Provide the weighted average maturity (WAM) assumption for the portion of the collateral portfolio invested by the agent. Estimates should be prepared on a look back basis utilizing the trailing twelve months from December 31, 2024. Estimates should be prepared using a weighted average maturity for the collateral portfolio of 60 days and a maximum security maturity of 13 months for the portion of the portfolio that is assumed to be managed by the agent.

5. Please complete Table 3.6.10.10(A)(5) in Attachment 4 assuming proposed modifications to the collateral reinvestment guidelines as discussed in Section 4.15.H.3. Please note that the DOI can only accept cash collateral. Please be explicit in what modifications the Bidder is proposing. Estimates should be prepared on a look back basis utilizing the trailing twelve months from December 31, 2024. Estimates should be prepared using a weighted average maturity for the collateral portfolio of 60 days and a maximum security maturity of 13 months for the portion of the portfolio that is assumed to be managed by the agent.
- B. List significant assumptions or comments that impact the revenue estimates above. What is the assumption on the lender risk weighting (RWA) and how would the revenue projections in each of the three scenarios be impacted by a change in the RWA?
- C. Please explain the methodology used for calculating and splitting the revenue estimates above. Please provide an example.

3.7 STATE-SUPPLIED PRICE SHEET

The Bidder must submit its pricing using the format and following the instructions set forth in the State-Supplied Price Sheet, with initials adjacent to any actual or apparent price alterations. 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.

All price lines must be filled out in accordance with the instructions below. If the Bidder is not submitting a price for an item on a price line, the Bidder must indicate “No Bid” on the State-Supplied Price Sheet accompanying this Bid Solicitation. Bidders are cautioned that submitting “No Bid” for a required price line or group will result in the Quote being deemed non-responsive for the required price line or group.

If the Bidder will supply an item on a price line free of charge, the Bidder must indicate “No Charge” on the State-Supplied Price Sheet accompanying this Bid Solicitation. An entry of \$0.00 on a price line will be interpreted as a Bidder supplying the good or service at “No Charge.”

The use of any other identifier may result in the Bidder’s Quote being deemed non-responsive.

Refer to RFP Section 4.0 Scope of Work for task requirements and deliverables.

Price Schedule 1 (for Global Custody Bidders)

Provide the proposed annual fee (in US dollars) to provide the full scope of global custody and fund administration services described in this RFP. Provide the annual firm, fixed fee for each year of the contract term, as well as each of the optional one-year extensions.

Price Schedule 2 (for Middle Office Bidders)

Provide the proposed annual fee (in US dollars) to provide middle office (investment operations) support services as described in this RFP. Provide the annual firm, fixed fee for each year of the contract term, as well as each of the optional one-year extensions.

Price Schedule 3 (for Global Custody and Middle Office Bidders)

Provide a schedule of transaction fees. Briefly describe each and every additional fee (for example, any “per ticket” or “per transaction” charges) that the Bidder proposes to charge in addition to the annual firm, fixed fee proposed in response to Price Schedule 1 above. This does not include standard market pass-through fees. 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 under this contract.

Price Schedule 4 (for all Bidders)

To the extent the Bidder offers any enhancements (services above and beyond those required herein), please describe those services and list any additional fees or costs that would apply.

Price Schedule 5 (for all Bidders)

Are there any fees or costs associated with transition/conversion? If so, please enumerate in explicit detail on this Price Schedule.

Price Schedule 6 (for all Bidders)

If the Bidder provides multiple approaches with differing price structures, provide available options. For example, please indicate if the Bidder provides a discount if awarded more than one service under this RFP. To the extent applicable, use the same format as the table included above in Price Schedule 1.

Price Schedule 7 (for all Bidders)

From time to time, the State may create new funds for a defined purpose and invest assets in such funds within specified guidelines. Future services may be required related to custody, accounting, reporting, compliance, and performance (as defined in the requirements of this RFP) for these assets. The transaction activity and net asset value cannot be forecast at this time. Provide separate pricing information to include these potential services at a later date. The optional pricing must only be for additional funds that may be created.

Price Schedule 8 (for Global Custody and Middle Office Bidders)

OPTIONAL: Please provide separate, detailed pricing if the Bidder's proposal includes a Risk Management platform/system to be selected at the State's option.

Price Schedule 9 (for Securities Lending Bidders)

1. Provide the proposed revenue split between the agent and the lender using the investment parameters set forth in the State-Supplied Price Sheet.
2. For each of the six proposed options in the State-Supplied Price Sheet, please specify the detail of any indemnifications being offered for:
 - a. Borrower indemnifications
 - b. Operational indemnifications
 - c. Collateral indemnifications
3. List and briefly describe each and every additional fee that is not included in the revenue split calculation(s) above. Any transaction fee that is not specifically identified in Priced Schedule 9 shall not be charged to the State and the State shall have no obligation to pay any such unscheduled transaction fees under this contract.

4.0 SCOPE OF WORK

4.1 GENERAL

Contractor shall provide global master custody, accounting, compliance, performance, and reporting services relating to the investments and assets of the Funds, as outlined in this RFP. Contractor shall furnish all services, materials, and personnel necessary to provide custody, accounting, compliance, performance, and reporting services to the DOI in compliance with those professional and/or fiduciary standards established as reasonable and customary by the industry for similar services. Contractor shall conform to all applicable local, State, federal, and foreign laws, rules, and regulations governing such services.

Contractor's systems shall have the ability to custody, account for and report on the assets, liabilities, and transactions of the Funds on an individual Fund basis. Currently, the Pension Fund entities are the seven individual Pension Plans and the four Common Pension Funds. The DOI reserves the right to establish new Common Pension Funds or modify the existing Common Pension Funds. Contractor shall use subaccounts within each of the Common Pension Funds to custody, account for, and report on the net assets for which the DOI receives advice from investment advisers on a per adviser basis. The daily net asset value (NAV) shall be computed for each of the Common Pension Funds, as well as for each of the Pension Plans. NAV shall be computed for each Common Pension Fund in accordance with N.J.A.C. 17:16-69.

Performance of the Pension Fund shall be reported in accordance with the categories and sub-categories set forth in the asset allocation plan approved annually by the SIC. These categories and subcategories differ substantially from the legal entity basis

described in the preceding paragraph and are subject to change. Currently, the asset allocation plan categories and sub-categories are defined as:

- Global Growth
 - US Equity
 - International Developed Markets Equity
 - International Small Cap Equity
 - Emerging Markets Equity
 - Equity Oriented Hedge Funds
 - Private Equity
- Defensive
 - Cash Equivalents
 - US Treasuries
 - Risk Mitigation Strategies
- Real Return
 - Real Estate
 - Real Assets
- Income
 - High Yield Fixed Income
 - Private Credit
 - Investment Grade Credit

A sample of the performance reports, which are a requirement included under the RFP Section 4.11(d) below, is included in the Monthly Director's Report, which can be accessed at this link:

<http://www.state.nj.us/treasury/doinvest/directorsreports.shtml>

4.2 CUSTODY AND TRADE SETTLEMENT

- A. Contractor shall hold all property for the Funds subject to and in accordance with the terms of this RFP, subject to any additional instructions provided by the Treasurer or a person approved by the Treasurer or Director in writing (DOI Designee).
- B. Ownership of all property held on behalf of the Funds shall at all times be and remain in the Funds, and the specific securities and other property held by Contractor shall at all times be identifiable on Contractor's records as being held on behalf of the Funds. 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 Designee or the express provisions of this RFP. Contractor may not assert any right, charge, security interest, lien, encumbrance, or other claim of any kind to the property.
- C. Contractor shall register securities in the name of the applicable individual fund or in the name of Contractor, its sub-custodian, or its nominee, and assist the DOI in re-registering securities that are not in acceptable form to Contractor.
- D. The Treasurer or the DOI Designee shall, from time to time, at the reasonable request of Contractor, furnish to Contractor appropriate instruments to enable Contractor to hold or deliver in proper form for transfer, or to register in name of a particular Fund or the name of Contractor's sub-custodian or nominee, any property that it may hold on behalf of the Funds.
- E. Except as otherwise permitted by law or directed by written instructions from the Treasurer or the DOI Designee, all securities held under this RFP that are not held through the federal reserve book-entry system, a securities depository or clearing agency, or in another book-entry system, shall be held by Contractor in an account and physically segregated and set apart at all times from Contractor's proprietary assets and, unless in bearer form, shall be registered in the name of Contractor's nominee, or the appropriate Fund, and shall be physically held by Contractor. Except as otherwise required by law or directed by written instructions from the Treasurer or the DOI Designee, Contractor shall hold securities in the country or other jurisdiction in which the principal trading market for such securities is located, where such securities are to be presented for cancellation and/or payment and/or registration, or where such securities are acquired.
- F. Contractor shall implement and maintain a written information security program to safeguard the personal information of each Fund's participants and beneficiaries.

- G. Contractor shall provide online security clearing at the DTC (Depository Trust Company), Federal Reserve, Euroclear and other clearing agents as required.
- H. Contractor shall provide support for standing instructions as required.
- I. Contractor shall ensure that reconciliations of holdings (cash and securities) to relevant depositories and sub custodians (including to the Bidder's vault) are carried out on regular basis, as agreed by DOI. These reconciliations should take into account corporate actions for both listed and unlisted securities.
- J. Contractor shall receive and process all transactions in accordance with market cut-off timeframes.
- K. Contractor shall provide accurate and timely custody and accounting record keeping for all portfolios, providing real-time online access to these records.
- L. Contractor shall provide online general instruction management tools.
- M. Contractor shall enable the registration of unlisted assets in the name of DOI and act under "custody control" side letter.
- N. Contractor shall have the ability to hold certificates and documentation for unlisted assets.
- O. Trade Settlement Process Provider:
 - 1. At the request of the DOI, Contractor shall integrate with a trade settlement process provider.
 - 2. At the request of the DOI, Contractor shall process trade settlements, either itself or through a subcontracting relationship.
- P. Contractor shall affirm all internally executed trades in all exchanges used on behalf of the DOI.
- Q. Contractor shall settle and safe keep or electronically register all book entry and physically-held securities.
- R. Contractor shall provide regulatory, audit overlay and administration support for global markets, including the ability to process trades in all global markets.
- S. Contractor shall provide proactive communications on all global market openings and issues and requirements related to each market, including timely updates on all market changes.
- T. Contractor shall provide signature-ready foreign market opening documents that are specific to Fund type and most advantageous from a tax withholding perspective for each foreign market for each account trading in that market; monitor foreign market documentation requirements on an on-going basis; notify and assist the DOI with respect to those requirements; and provide research and insight into markets enabling the DOI to make decisions on market openings.
- U. Contractor shall provide timely notification of pending and failed trades to the DOI staff and interact with third parties, such as brokers or investment advisers, as directed by the DOI.
- V. Contractor shall execute foreign exchange transactions in accounts identified by the DOI and at the frequencies directed by the DOI. Contractor shall provide best execution using the best available price for all currency transactions, including interbank, at the time of execution. The DOI expects execution prices not to exceed the interbank range, even after markup/down is applied. Contractor shall conduct foreign exchange transactions in an automated fashion with full transparency of price, actual execution time, and mark-up/down charged, if any. Full transparency means the actual price available in the market, including interbank, for the exact type of transaction, on the day of the transaction, actual time of execution and spread on a daily basis. In addition, Contractor shall provide the DOI with documentation of best execution, price, actual execution time, and spread daily. The DOI reserves the right to allow itself and its advisers to execute foreign exchange transactions with other counterparties if desired with no additional cost or fee charged by Contractor.
- W. Contractor shall request, complete, file and maintain proper forms with any and all required tax agencies and shall initiate tax reclaim filings and process collections on behalf of the Funds, including collections from reclaims filed by a prior Contractor; provided, however, that Contractor shall have no responsibility or liability to pay any tax obligations for which the Funds are liable. Contractor shall advise and assist the DOI in determining which classification (e.g., government agency, Pension Plan) would be best to use in each foreign jurisdiction where there is an investment in order to maximize tax benefits, through either relief at source or tax reclaims.
- X. Contractor shall provide the DOI a detailed report, no later than 8 AM the next Business Day, related to currency/cash flow needs. The report shall include anticipated currency needs resulting from repatriation and any other related monies. The report must be available in a format that the DOI or a third party may use to transact and settle the cash flow needs.
- Y. Contractor shall perform trade settlement on a delivery versus payment basis. Free delivery settlement must receive prior written approval by the DOI.
- Z. Contractor shall accept trade data daily electronically via the DOI's trade order management system (currently INDATA iPM); via the DOI's foreign exchange execution system (to be selected by the DOI in the future) if any; and via mutually agreed upon electronic means from the DOI's external advisers. Certain types of trades (e.g., derivatives) may be communicated through means other than electronic means. Trades must be received and recorded on Trade Date, which will be periodically transmitted throughout the day with the final transmission at approximately 4:15 PM Eastern Time.

- AA. The Bidder may at its discretion appoint and remove one or more banks, regulated financial institutions or other entities, if customary in the applicable market, as sub-custodians to carry out such of the provisions of this RFP as the Bidder may from time to time direct; provided, however, that such appointment and use of sub-custodians shall comply with applicable law, including without limitation N.J.S.A. 52:18A-8.1 - 8.1a, and shall not relieve the Bidder of its fiduciary duties and responsibilities under this RFP or applicable law and provided further that in every case the Bidder shall retain primary responsibility for Fund property. Fund property may be held only with sub-custodians that meet the requirements of this RFP, the RFP and applicable law, and shall be held by such sub-custodians subject to the requirements of this RFP and applicable law and in accordance with the terms and conditions of this RFP.
- BB. Upon direction by the DOI, Contractor shall deliver or cause to be delivered securities owned by the Funds and held by Contractor upon: (i) the sale of securities (in accordance with the customary or established practices and procedures of the relevant jurisdiction, market or securities system); (ii) the receipt of payment under a repurchase agreement related to the securities; (iii) a tender offer or other similar offer for the securities; (iv) the call, redemption or retirement of the securities; (v) the transfer, exchange or conversion of the securities, including pursuant to any plan of merger or reorganization; (vi) the surrender of warrants, rights or similar securities; (vii) requirement under an options or futures contract; (viii) in connection with securities lending by the Funds; and (ix) other direction from the DOI.
- CC. Contractor shall debit or credit the appropriate individual fund account in connection with the purchase and sale of securities on a contractual settlement basis. Payments in connection with a purchase transaction shall be debited at the time ordinarily required to settle the transaction in the applicable market and shall be credited when the DOI notifies Contractor that the purchase has been canceled. A provisional credit shall be made in connection with a sale transaction at the time the monies would ordinarily be available in the applicable market, provided that Contractor is in possession of the securities being sold (except where the lack of possession is due to Contractor lending the securities as the securities lending agent). Contractor shall indemnify the applicable fund for any damages, including interest at Contractor's overdraft rate, resulting from the failure of any transaction to settle, if such failure was due to action or inaction of Contractor.
- DD. Contractor shall provide overall monitoring and management of external investment adviser/manager activities including timeliness and accuracy of instruction.
- EE. Contractor shall monitor and escalate issues (to DOI) including monitoring to SLA's and KPI reporting.
- FF. Contractor shall coordinate change management activities with the investment advisers/managers.

4.3 ACCOUNTING AND AUDITING

- A. Contractor shall serve as the official "book of record" for each of the separate Funds identified in this RFP, and any additional funds as created by the DOI in the future.
- B. Contractor shall provide records on a NJ State fiscal year basis, of July 1 to June 30, for the term of the contract.
- C. Contractor shall provide trade date accounting for all securities and full accrual accounting for all Funds and applicable subaccounts. All assets and liabilities shall be reported at current market value pursuant to applicable accounting standards.
- D. Contractor shall provide cost basis for all publicly traded securities using average cost. Contractor shall account for the cost basis for Alternative Investments (Hedge Funds, Private Credit, Private Equity, Real Estate, and Real Assets) as contributed capital less returns of capital and expenses contained within contributed capital (inside expenses). Contractor shall track outside expenses that do not affect total commitment.
- E. Contractor shall provide daily fund accounting and daily pricing of portfolios.
- F. Contractor shall provide a daily, comprehensive Generally Accepted Accounting Principles (GAAP) basis pricing system ensuring the accuracy of the prices received from various external sources by employing procedures to verify the primary price (the DOI reserves the right to mandate the primary pricing source) through a secondary pricing source, compare a prior period's prices to the current period's prices and investigate changes outside established tolerances, as well as changes from the prior day that appear unreasonable in relation to current market trends.
- G. Contractor shall provide multi-currency accounting and reporting capabilities that comply with all American Institute of Certified Public Accountants (AICPA), Financial Accounting Standards Board (FASB), and Governmental Accounting Standards Board (GASB) accounting and reporting requirements, including GASB 28, 40 and 72 requirements and requirements regarding the separation of realized and unrealized securities and currency gains and losses.
- H. Contractor shall provide an itemized and detailed daily record of all purchases and sales of securities, all receipts and disbursements of cash, and all other debits and credits.
- I. Contractor shall provide daily general ledgers and sub-ledgers for each subaccount reflecting all asset, liability, reserve, capital, income, and expense accounts; including income accrued and income received.
- J. Contractor shall provide a monthly trial balance for securities lending assets and liabilities.

- K. Contractor shall provide accounting for alternative investments including private equity, real assets, real estate, and hedge funds, opportunistic and private credit funds. Interim valuations will be based upon most recent fund statements, cash adjusted through the current period. June 30 valuations shall be based upon final adjusted values. Contractor shall allow for adjusted June 30 fair values to account for alternative investments that are reported to the DOI on a lag and have the ability to record adjusted information through all relevant systems (trial balance, performance, alternative investment platform, etc.). Contractor shall calculate adjusted Pension Fund NAV and fiscal Pension Fund performance based on adjusted final fair values.
- L. Contractor shall provide timely accounting for all corporate actions, including, at a minimum, capital changes, mergers, acquisitions, tenders, stock splits, warrants, and spin-offs.
- M. Contractor shall work with the DOI's trade order management system provider to provide straight-through processing for derivative transactions, including options, futures, and any other derivative instruments.
- N. Contractor shall perform accurate segregation and accounting of income and expense classifications reported in the statement of changes in net assets in accordance with applicable accounting standards, which shall include, but not be limited to, interest income, dividend income, capital gains and capital losses, unrealized gains and losses, accrual basis fees, foreign exchange (FX) gains and losses, investment expenses, pension fund contributions, and pension fund withdrawals. Gross lending income, broker rebates and lending fees paid to agent(s) must be reported separately pursuant to applicable accounting standards.
- O. Contractor shall provide daily and monthly net asset value accounting for the Pension Funds, which shall include, at a minimum, daily valuation of all assets and liabilities of the Pension Funds, reflecting trade date accounting.
- P. Contractor shall provide daily and monthly net asset value accounting for the Common Pension Funds in accordance with N.J.A.C.17:16-69, which shall include, at a minimum, to the following:
 - 1. Daily valuation of all assets and liabilities of the Common Pension Funds, reflecting trade date accounting;
 - 2. Computation of the daily NAV and NAV per unit for each of the Common Pension Funds;
 - 3. Calculation of and maintenance of the records for units owned by each of the Pension Plans that participate in the Common Pension Funds;
 - 4. Recording of contributions and withdrawals to/from the Common Pension Funds by the Pension Plans at the prior day closing NAV per unit; and
 - 5. Tracking of the gains and losses recognized upon the withdrawal of units from the Common Pension Funds, which will be reflected on the trial balance of the Pension Plans.

In the event that an error is detected which causes the NAV per unit of a Common Pension Fund to change by \$0.005 or more, and cash contributions or withdrawals were made to or from any of the Common Pension Funds at an incorrect unaudited NAV per unit, Contractor shall restate the applicable custody and accounting record(s) for each applicable day to reflect transactions at the correct audited NAV per unit.

- Q. Contractor shall provide technical expertise and assistance to the DOI investment accounting and portfolio administration personnel including, at a minimum:
 - 1. Assistance in identifying ways in which 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;
 - 2. Providing ongoing updates, information, and training concerning new investment instruments and accounting issues surrounding various investment types;
 - 3. Providing technical assistance in implementing recently released accounting pronouncements issued by GASB, FASB, and any other relevant entities;
 - 4. Providing direct access to designated individuals to assist with technical questions; and
 - 5. Providing an account administrator(s) available by telephone between the hours of 8:30 AM and 5:00 PM Eastern Time.
- R. Contractor shall provide daily verification and reconciliation of net cash flows for funds transacted internally by the DOI staff (purchases, sales, maturities, income payments, principal payments, capital calls and distributions, etc.) on a contractual settlement basis for the purpose of determining the daily cash requirements and required transfers to/from the DOI's Cash Management Fund (CMF). Contractor shall provide adequate staff to assist the DOI with this process daily.
- S. Contractor shall perform monthly reconciliations between Contractor-audited accounting data and external adviser accounting data and investigate tolerances outside prescribed limits by the third (3rd) Business Day following month end for the Pension Funds. Audited account statements must include procedures for a full reconciliation with external adviser records for shares, market value, and accruals. Reconciliation tolerances are set by the DOI and may be changed or modified at the DOI's discretion.
- T. Contractor shall provide all audited month-end accounting reports in a format acceptable to the DOI. In addition, ad hoc query and reporting functions shall be available, and Contractor shall, by mutual agreement, and in a timely

manner, provide additional custom reports (complying with industry-standard report formats) as requested by the DOI, at no additional charge.

- U. Contractor shall provide monthly transaction reports by the fifth (5th) Business Day following month end for each Fund, specifying all purchase and sale transactions, the dates thereof, prices paid and obtained, name(s) of the executing brokers, and the account name.

4.4 PRICING AND VALUATIONS

- A. Contractor shall provide scrubbed and validated market prices for the Investment Book of Record (IBOR) on a daily basis.
- B. Contractor shall have ability to support client define price hierarchy at an account level.
- C. Contractor shall have ability to support uniquely structured securities (e.g. Indexed annuities with customized cash flows).
- D. Contractor shall have ability to support clean prices on fixed income securities.
- E. Contractor shall have ability to support dirty prices on fixed income securities.
- F. Contractor shall have ability to apply tolerance levels for security price validations.
- G. Contractor shall have ability to price placement shares as per parent line.
- H. Contractor shall have ability to store and report Bid / Offer / Mid price.
- I. Contractor shall have ability to price unlisted and alternative assets.
- J. Contractor shall have ability to support infrequently valued assets or illiquid securities.
- K. Contractor shall have ability to use estimated prices sourced from fund managers on infrequently valued assets.
- L. Contractor shall have ability to store and report effective date pricing for alternative assets.
- M. Contractor shall have ability to apply client provided prices on various frequencies.
- N. Contractor shall have ability to apply validation / verification on client provided prices compared to last price.
- O. Contractor shall have ability to provide independent valuations for Over-the-Counter (OTC) instruments.
- P. Contractor shall have ability to automatically price assets at cost for new assets if vendor price unavailable.
- Q. Contractor shall have ability daily reporting on stale prices.
- R. Contractor shall have ability daily reporting on price movements and unpriced securities.

4.5 REPORTING

- A. Contractor shall provide daily reporting for each Fund (and applicable subaccounts), which includes, at a minimum:
 - 1. Trial balance with supporting subledgers;
 - 2. Daily unit value report (Pension Funds only); and
 - 3. Daily purchases and sales report.
- B. Contractor shall provide monthly financial reporting for the Funds (and applicable subaccounts) by the eighth (8th) Business Day following month end, which includes, but shall not be limited to:
 - 1. Audited monthly accounting package which includes but shall not be limited to month-end trial balance, balance sheet, and income statement, with supporting subledgers; and
 - 2. Monthly Director's Report to SIC (see, e.g., <http://www.state.nj.us/treasury/doinvest/directorsreports.shtml>).
- C. Contractor shall provide year-end financial reporting for each Fund to enable preparation of the DOI's annual reporting requirements. Reporting should include detailed support that agrees to each line item for audit purposes. Contractor shall have the ability to combine accounts into one report using various reporting and aggregation scenarios. The year-end package will include, but not be limited to:
 - 1. Statement of Net Position;
 - 2. Statement of Changes in Net Position;
 - 3. Schedule of Maturities – All fixed income securities reported using actual maturity date except for asset-backed, mortgage-backed, and commercial mortgage-backed securities where average life (or an acceptable alternative) is used to report these securities in the appropriate maturity bucket;
 - 4. Schedule of Credit Ratings – ability to provide Moody's, Fitch, and Standard & Poor's ratings as the reporting source for this report;
 - 5. Schedule of Foreign Currency Exposure;
 - 6. GASB 53 Reporting;
 - 7. GASB 72 Reporting; and
 - 8. Accrued income by account, security, and type.

- D. Contractor shall provide independent data as requested by the DOI's auditors in a format and time frame acceptable to them.
- E. Contractor shall provide other reporting, as follows:
 - 1. All required monthly, annual, biannual, and quinquennial reporting to the Federal Reserve; and
 - 2. Information to prepare quarterly SEC 13F filings.
- F. Contractor shall provide online access to all data including asset transaction histories and positions and ad-hoc reporting capability. Contractor shall provide other reports as may be required by the DOI.

4.6 ALTERNATIVE INVESTMENT PLATFORM

- A. Contractor shall electronically process capital calls in accordance with authorization parameters.
- B. Contractor shall record alternative investment historical data, including all cash flows and performance data, dating back to the inception of each fund in the portfolio.
- C. Contractor shall collect and store all Partnership Capital Account (PCAP)/Net Asset Value (NAV) statements, Institutional Limited Partners Association (ILPA) fee templates, quarterly portfolio reports, transparency reports, K-1s, financial statements, capital call and distribution notices.
- D. Contractor shall track and record all capital contributions and distributions by each investment fund and asset class.
- E. Contractor shall provide monthly, quarterly, and year-to-date cash flow reports detailing the components of each capital call and distribution (i.e., contribution, return of capital, income, realized gain/loss, fees and expenses, etc.). Records should capture the date of the PCAP/NAV Statement that is recorded for each investment.
- F. Contractor shall create multiple monthly schedules of Alternative Investments for both the SIC and the DOI staff (one example is included in the Monthly Director's Report – (see, e.g., <http://www.state.nj.us/treasury/doinvest/directorsreports.shtml>). The schedules will be in a format prescribed by the DOI and information may include, but is not limited to the following: SIC Presentation Date, Inception Date of each investment, last valuation date, total commitment, amount contributed, unfunded commitment, current market value, total distributed, total value (current market value plus total distributed), total value multiple (total value divided by amount contributed), internal rate of return and distributed to paid-in (distributions divided by contributions). Such monthly schedules should include relevant footnoting for funds held in foreign currency that includes the relevant FX rate. The schedules should have two levels of review prior to being sent to the DOI for approval.
- G. Contractor shall provide drill down capability to analyze each fund's reported market value (last reported fair value per PCAP/NAV plus subsequent cash flows).
- H. Contractor shall provide investment performance calculations for private markets, which includes, but is not limited to, internal rate of return, investment multiple and distributed to paid-in on both an accounting basis and the actual GP provided valuation.
- I. Contractor shall maintain an investment dashboard which will include, but not be limited to, cash flow and return data at the fund, sub-fund (if applicable) and holding level. The dashboard must be customizable upon request.
- J. Contractor should provide exposure reporting by manager, industry sector and geography at the total Alternative Investment level as well as at the asset class and specific fund levels.
- K. Upon request of the DOI, Contractor must be willing to sign Non-Disclosure Agreements with certain Alternative Investment funds or agree that such funds shall be third party beneficiaries to any confidentiality agreements between Contractor and the State.
- L. Contractor shall not use Alternative Investment data for a different business function of its own or an affiliate, unless it has obtained the prior written approval from the Division for the use of that data.

4.7 CASH MANAGEMENT

- A. To the extent that cash is received after the daily sweep to CMF, Contractor shall provide an automated daily sweep of net cash flows, by account, to Contractor's short-term investment fund (STIF), as approved and directed by the DOI.
- B. Contractor shall provide daily cash flow projections and other cash management reports as requested by the DOI and as modified from time-to-time as circumstances warrant.
- C. Contractor shall perform preliminary cash flow reconciliation with the DOI staff daily. The DOI and Contractor must reconcile and agree to the daily cash requirement.
- D. On heavy bond interest payment days, Contractor shall provide a complete preliminary cash flow projection and reconciliation two days prior to settlement.
- E. Contractor shall reconcile cash accounts daily with the DOI and the DOI's external advisers.
- F. At the discretion and direction of the DOI, Contractor shall undertake purchase, sale, or crossing of foreign currencies, or foreign exchange transactions on eligible accounts identified by the DOI, including transactions executed with or through Contractor, its affiliated business units, its agents, or sub-custodians in the best interest of the DOI and its

beneficiaries. Contractor shall execute foreign exchange transactions in accordance with the requirements as set forth in RFP Section 4.2. Where foreign markets allow, Contractor will invest any foreign currency balances left overnight in appropriate, agreed upon short term investment vehicle(s). Contractor shall provide the DOI with next day reports on these balances including interest earned.

- G. Contractor shall hold cash, including but not limited to, currency balances remaining as a result of failed delivery, in bank accounts opened and maintained by Contractor.
- H. Contractor shall cause currency that is issued by a country other than the United States to be held in the issuing country, unless otherwise required by law or directed by the DOI.
- I. Contractor shall collect, when due, all interest, dividends, or other income with respect to securities or other assets. Cash shall be credited upon receipt. Contractor shall, in accordance with applicable market practice, promptly make a claim for all income not received when due and report such income to the DOI. Income credited in advance of receipt may be reversed upon determination that payment will not occur.
- J. Upon the DOI instruction, Contractor shall pay out moneys of the Funds in connection with (i) the purchase of securities; (ii) the conversion, exchange or surrender of securities; (iii) payments of fees and expenses; (iv) the purchase or sale of foreign exchange contracts; (v) trading in options and futures contracts; (vi) transfers among Funds; or (vii) other purposes determined by the DOI.
- K. Contractor shall provide a secure online platform for authorization of domestic and international wires for capital calls, or any other cash movements requested by the DOI. The system shall have the ability to:
 - 1. Allow for the determination of wire initiation and authorization personnel (i.e., separate originators and approvers for each transaction); and
 - 2. Provide the ability to store standard wire instructions.
- L. Contractor shall transfer or wire net proceeds from all transactions to a designated domestic bank and account specified by DOI daily. The delivery of proceeds must be received by a time specified by DOI. In the event of a net cash outflow, Contractor shall specify a domestic banking account to which DOI may wire funds. The delivery or receipt of funds must occur same day by times specified by DOI in writing. Bank wire delays resulting from daylight overdraft concerns are not acceptable to the State. Contractor shall have daylight overdraft limits that allow for full compliance with the Contract.

4.8 CORPORATE ACTIONS

- A. Contractor shall employ “best of breed” vendors for corporate action information collection and timely notification (including detailed requirements of clients’ entitlements and deadlines) to the DOI or its agents.
- B. Contractor shall provide notification of all mandatory and voluntary corporate actions related to the Funds’ individual securities including dividend payments, stock splits, mergers, acquisitions, tenders, warrants, puts, calls, and other non-scheduled redemptions, sufficiently in advance of the required response date for the DOI to exercise its rights or powers. Contractor shall provide the ability to utilize standing instructions by market and type of action. With respect to any communication that is not responded to prior to Contractor’s deadline, Contractor shall follow up with email and phone call to confirm receipt.
- C. Contractor shall maintain an automated system for capturing, tracking, notifying, and approving corporate actions and reporting on aging actions that the DOI can access.
- D. With respect to international corporate actions, Contractor shall review the corporate actions and file documents to the extent Contractor is able to do so. If Contractor is unable to file the documents due to legal requirements, Contractor shall forward all available documentation regarding the corporate action sufficiently in advance of the filing date.
- E. For actions arising after termination, Contractor shall continue to make relevant transaction and payment information available to the DOI and shall continue to file claims on behalf of the DOI to the extent such claims arise in connection with transactions that occurred during the term of the agreement.
- F. Provide online reporting of all corporate action events in real time.
- G. Provide real time transaction updates for amended entitlements and ex-date trading.

4.9 CLASS ACTION CLAIMS

- A. Contractor shall identify and forward relevant securities class-action claims and related litigation notices to the DOI at least 30 days in advance of any required response date, and if 30 days’ advanced notice is not possible, as soon as reasonably practicable so that the DOI is able to meet relevant deadlines.
- B. Contractor shall provide transaction records as may be required to respond to such notices for review and approval by the DOI, file class action claims on behalf of the DOI and report on recovered amounts.

- C. With respect to international class actions, Contractor shall review the class actions and file claims to the extent Contractor is able to do so. If Contractor is unable to file the claim due to legal requirements, Contractor shall forward all available documentation regarding the class action sufficiently in advance of the filing date.
- D. For actions arising after termination, Contractor shall continue to make relevant transaction and payment information available to the DOI and shall continue to file claims on behalf of the DOI to the extent such claims arise in connection with transactions that occurred during the term of the agreement.
- E. Contractor shall provide transaction data to the DOI and its third-party vendor (currently, Institutional Shareholder Services (ISS)) for purposes of monitoring class action claims.

4.10 PROXY PROCESSING

- A. Upon commencement of the Contract and each time additional funds or subaccounts are added, Contractor shall work directly with the DOI's proxy voting agent (currently ISS), in a timely manner, to provide letters of authorization and all other relevant required information necessary so that accounts can be set up in a timely manner and proxy voting is enabled on time.
- B. Contractor shall provide a daily feed of the DOI's holdings to the proxy voting agent in the format required by the agent (and ensure this occurs across all subaccounts/funds). Contractor shall automatically add new accounts to the daily feed.
- C. Contractor shall reconcile accounts with the DOI's proxy voting agent on an annual basis.
- D. Contractor shall work with the DOI and its proxy voting agent to provide information necessary for regulatory filings.
- E. Contractor shall work with the DOI and its securities lending agent to recall shares on loan in a timely manner to ensure shares are voted in accordance with all the DOI directives.
- F. Contractor shall designate a representative who will be available to the DOI, the proxy voting agent, or securities lending agent for questions or information related to proxies and provide contact information (name, email address, and phone number) of the representative.

4.11 PERFORMANCE MEASUREMENT AND ANALYTICS

- A. Contractor must have the ability to interface and/or accept a feed from other contractors engaged by the DOI for cash flow and transaction information.
- B. Contractor's system shall have the ability to calculate performance at the security level and/or asset class and sub-portfolio level in accordance with the annual allocation plan approved by the SIC. At the direction of the DOI, total Pension Plan performance shall be calculated including and excluding PFRS assets.
- C. In accordance with GASB 67, Contractor shall calculate an annual money-weighted rate of return on total Pension Fund assets calculated as the internal rate of return on investments, net of Pension Plan investment expense. Inputs to the internal rate of return calculation should be determined at least monthly. At the direction of the DOI, total Pension Plan performance shall be calculated including and excluding PFRS assets.
- D. Contractor shall provide daily and monthly performance reports detailing market performance, portfolio performance, and any level of detail or any aggregate deemed necessary to the DOI. These reports are to include current as well as historical data. Contractor shall:
 - 1. Provide daily unaudited reports by noon Eastern Time. The data should be checked for reasonable accuracy prior to issuance;
 - 2. Provide monthly audited performance reports for the prior month's reporting cycle by the eighth (8th) Business Day of each month;
 - 3. Provide monthly audited performance reports in a format approved by the DOI to be delivered to the SIC; and
 - 4. Provide monthly sector/sub-industry, region/country, and CUSIP level reports for each month by the eighth (8th) Business Day of the following month.
- E. The DOI and Contractor may on a case-by-case basis mutually agree via email or otherwise in writing to a later delivery schedule for performance reports subject to availability of third-party information or substantive changes in the DOI portfolio composition or structure.
- F. Contractor shall provide a data feed in an agreed upon format to the DOI's general consultant and asset class consultants for independent verification of quarterly performance of portfolios and benchmarks. Contractor shall work in conjunction with the DOI's consultants to investigate and resolve discrepancies in a timely manner.
- G. Performance reports should detail market values, cash flows and returns of each portfolio, both custodied and non-custodied (look-through), as well as any consolidations deemed necessary by the DOI.
- H. Performance reports should have the flexibility to run attribution and performance reports for any given ad hoc time period.
- I. Portfolio returns shall be reported as gross, net of management fees, or net of all fees, and calculation methodologies should be current with industry standards.

- J. Contractor shall transmit raw performance data, transaction data, rates of return, index returns for the DOI benchmarks or any other information concerning the DOI's accounts, to vendor(s) selected by the DOI on a daily, monthly, or other frequency as determined by the DOI.
- K. Contractor shall load and store all historical performance data provided by the incumbent custodian(s) into the performance measurement and analytics system.
- L. Contractor shall provide access to Trust Universe Comparison Service (TUCS) reports or similar universe.
- M. Contractor shall provide data feeds of the following data from Contractor's performance system in formats specified by the DOI for use in the DOI internal systems:
 - 1. Monthly and daily audited returns at the composite, account, and security level and
 - 2. Daily and monthly index returns for all relevant the DOI benchmarks.
- N. Contractor's system shall have the ability to provide all the DOI policy benchmarks, including blended custom benchmarks.
- O. Contractor's system must have the ability to transfer assets between subaccounts at market value within the performance system while maintaining the original cost integrity within the accounting and custody systems.

4.12 RISK SYSTEM

- A. At the State's option, Contractor shall provide a system or platform capable of analyzing investment risk (Risk System) within 3-6 months of the State's request.
- B. Risk System should provide portfolio risk metrics encompassing multi-asset classes including at minimum:
 - 1. Cash Equivalents
 - 2. Domestic Fixed Income
 - 3. International Fixed Income
 - 4. Domestic Equity
 - 5. International Equity
 - 6. Real Assets
 - 7. Real Estate
 - 8. Private Equity
 - 9. Hedge Funds, including Funds of Funds
 - 10. Private Credit
 - 11. Opportunistic Private Equity
- C. Risk System should provide:
 - 1. Aggregate exposure levels across the portfolio that includes investments within the Alternative Investment portfolios.
 - 2. Ability to assess risk on a global market aggregate and regional basis: US, Canada, Europe, Asia, and Emerging Markets.
 - 3. Ability to define sector, industry, and country exposures using MSCI and GICS classifications.
 - 4. Ability to re-map country, industry, sector classifications.
 - 5. Ability to decompose aggregate portfolios into component portfolios.
 - 6. Ability to assess risk of Exchange Traded Funds (ETFs) on the aggregate and constituent level.
 - 7. Ability to provide a decomposition of risk sources (% of risk perspective) for equity portfolios on an aggregate basis (encompassing total portfolio, benchmark, active, market timing, common factor, idiosyncratic) and component basis (country, sector, currency, and style such as: value, size, momentum, liquidity, leverage, growth, volatility).
 - 8. Risk attribution and contribution (including marginal) daily analysis (from a percentage and z-score perspective of equity portfolios at the asset level as well as the aggregate and granular level for country, sector, and style).
 - 9. Multiple VaR methodologies, confidence levels and types (e.g., relative, incremental, marginal).
 - 10. Ability to provide ex post risk statistics (tracking error, sharp ratio, information ratio, return distribution moments, upside/downside capture etc.)
 - 11. Ability to back test realized portfolio P&Ls vs. VaR.
 - 12. Ability to optimize and offer a methodology to adjust for estimation bias of tracking error.
 - 13. Dynamic Stress testing capabilities.
 - 14. Private Equity, Private Credit, Real Estate, Real Assets, Opportunistic Private Equity and Hedge Fund Transparency (when possible) that rolls forward as new valuation data becomes available.
 - 15. Public and Custom Index and Public Market Equivalent (for Alternative Investment portfolios) comparisons for performance and risk attribution and contribution.
 - 16. Allocation Modeling.
 - 17. Capital Structure Analysis.

- 18. Liquidity Analysis.
- 19. State Investment Council and Investment Policy Committee executive reports.
- D. Risk System should be a multi-factor, global, fundamental risk model (factors and model structure should be transparent). The availability of a statistical model is preferred.
- E. Risk System should include a system of checks and balances combining judgment and quantitative measurement that should include:
 - 1. Liquidity.
 - 2. Downside metrics (including maximum drawdown, and downside deviation).
 - 3. Maximum loss for portfolio and per position.
 - 4. Tracking Error.
 - 5. Concentration.
 - 6. Shock based analysis.
 - 7. Greeks.
 - 8. Exposures by position, country, region, asset class, historical/predicted betas.
 - 9. Stress testing capabilities.
 - 10. Correlation measurement.
 - 11. Leverage.
 - 12. Timely, best efforts, trade capture.
 - 13. Sensitivity analysis.

4.13 COMPLIANCE MONITORING AND REPORTING

- A. Contractor shall provide daily investment compliance monitoring and reporting on a T+1 basis that measures subaccounts and aggregates against SIC regulations (N.J.A.C. 17:16-1 et seq.), and other policies provided by the DOI. It is expected that Contractor's compliance staff will research all exceptions first, and only send questions to the DOI as necessary to resolve/document actual breaches.
- B. Contractor should have an online compliance system that provides the DOI staff with the ability to view and access up-to-date data including historical test data. The system should include pass, fail and warning notifications, histories and a set of core compliance reports including the reason for any breaches. The online system should provide easy access to the DOI compliance rule matrixes, compliance results, and historical breach reports. The system should provide the ability to filter, edit and download data to PDF or Excel.
- C. Contractor's compliance system should incorporate fail management capabilities. Those will include the ability to assign severities, breaches, and approvals for each alert. The DOI should be able to view the test breaches, assign breaches to individuals for follow-up, and record commentary or research results online. The comments should carry forward as applicable.
- D. Contractor shall issue accurate daily compliance summary reports along with supporting details/components and compliance monitoring results. Reports will display the status of each test, such as pass, fail or warning, and summarize the reason for any fails or warnings. Contractor shall email notifications of all fails and warnings to the DOI staff no later than T+1 basis with supporting details as specified by the DOI.
- E. Contractor shall provide a summary of reporting threshold limits for all global markets (including SEC reporting thresholds). Contractor shall provide updates to global regulations in a timely manner that will enable the DOI compliance in all markets and provide links to regulatory authorities and required forms.
- F. Contractor shall provide a daily report on a T+1 basis at a security level basis that summarizes when a holding crosses an applicable market regulatory reporting threshold in either direction.
- G. The test setup should encompass the following:
 - 1. Provision of a formal investment guideline and policy review and gap analysis for each restriction or limitation;
 - 2. Creation of the initial set of tests to meet the DOI's requirements;
 - 3. Document gaps on rule matrix with explanation for any test which cannot be performed;
 - 4. On-going assistance in implementing new or modifying existing tests;
 - 5. Track changes or updates to rules to document date of change and user authorizing the change;
 - 6. List the individual accounts and aggregates tested for each rule in the matrix; and
 - 7. Document formal confirmation, by the DOI, of proper interpretation of the tests.
- H. Compliance system shall be tested and operational by the date of conversion to ensure a seamless transition.

4.14 MIDDLE OFFICE (INVESTMENT OPERATIONS) SUPPORT SERVICES

4.14.1 POST TRADE MANAGEMENT

4.14.1.1 TRADE CAPTURE AND MATCHING

- A. Contractor shall have the ability to receive block and/or allocation trades via real time.
- B. Contractor shall have the ability to receive block and/or allocation trades via batch.
- C. Contractor shall have the ability to receive confirmed trade transactions.
- D. Contractor shall have the ability to receive commissions and market charges within trades.
- E. Contractor shall have the ability to manage and apply market changes to trades received.
- F. Contractor shall have the ability to create and maintain settlement instructions by product and counterparty.
- G. Contractor shall have the ability to manage worldwide holiday schedules per exchange for settlement instructions.
- H. Contractor shall have the ability to manage custom holiday schedules for settlement instructions.
- I. Contractor shall have the ability to record unconfirmed trades in the IBOR received within one hour of receipt.
- J. Contractor shall have the ability to record confirmed trades in the IBOR from Advisors.
- K. Contractor shall support integration with the following Portfolio Management Systems (PMS)/Order Management Systems (OMS):
 - Blackrock Aladdin;
 - State Street Charles River IMS;
 - Simcorp;
 - INDATA iPM
 - Bloomberg;
 - SS&C EZE;
 - HIS Markit Thinkfolio; and
 - Enfusion: Inegrata.
- L. Contractor shall have the ability to provide acknowledged/not acknowledged (ACK/NAK) notifications at transaction level confirming receipt.
- M. Contractor shall have the ability to provide ACK/NAK notifications at transaction level confirming trade accepted for processing.
- N. Contractor shall have the ability to provide ACK/NAK notifications at transaction level confirming matched trades.
- O. Contractor shall have the ability to cancel unconfirmed trades and replace confirmed trades to Portfolio Management System (PMS) / Order Management System (OMS).
- P. Contractor shall have the ability to consume and store transaction tags to support aggregation of holding and performance reporting.
- Q. Contractor shall have the ability to provide electronic matching of trade transactions for all security types to the broker/counterparty, including the following security types:
 - Equities- Common stock, funds, rights, warrants and ETFs;
 - Fixed Income- Asset backed Securities, mortgage backed securities, corporate/government bonds;
 - Foreign exchange- spot, forwards;
 - Certificate of Deposits;
 - Money Markets-short term instruments, fixed deposits, call deposits (11 AM);
 - ETD- futures and options; and
 - European unlisted funds (via Clearstream)
- R. Contractor shall have the ability to support trade and confirmation workflows to record estimated trades then replace post unit price received:
 - 1. unlisted unit trusts
 - 2. unit registry-interfund trades
- S. Contractor shall have the ability to match and support defined client tolerances for matching fields covering:
 - Account group;
 - Security type;
 - Quantity;
 - Commissions;
 - Charges, fees and taxes;

- Net cash settlements;
 - Broker SSIs; and
 - Custodian SSIs
- T. Contractor shall have the ability to define workflows to support IPOs with corporate action events as applicable.
- U. Contractor shall have the ability to support electronically transmitted post-trade corrects (cancel/correct).
- V. Contractor shall have the ability to generate instructions for event-driven activities to custodians/administrators, etc.

4.14.1.2 SETTLEMENT AND CLAIMS MANAGEMENT

- A. Contractor should be able to support SWIFT and electronic settlement instructions to custodians and prime brokers.
- B. Contractor should be able to support electronic integration for instructions to ETD Clearers and OTC clearers.
- C. Contractor should be able to support and integrate with electronic matching platforms such as Itiviti's Nyfix and DTCC's CTM.
- D. Contractor should be able to support SWIFT and electronic trade instructions to Administrators, to support FX pooling and to support securities lending program.
- E. Contractor should be able to actively monitor pre-settlement of transactions across all markets to minimize fails.
- F. Contractor should be able to receive MT548 and provide trade settlement status to PMS/OMS. Contractor should have the ability to automatically raising of claims above the minimum \$500 equivalent and active management until resolution. Contractor should be able to make claims under ISITC minimum of \$500 equivalent are not raised unless agreed with the client based upon events causing the claim.

4.14.1.3 TRADE STATUS REPORTING

- A. Contractor shall have the ability to provide operational dashboards showing matched, unmatched and failing trades per asset class.
- B. Contractor shall have the ability to provide operational dashboards showing matched, unmatched and failing trades per asset class.
- C. Contractor shall have the ability to provide monthly KPIs on trade volume, matching rates, fail stats, STP rates, broker, and custodian performance analysis.
- D. Contractor shall have the ability to provide monthly claims reporting with age and current status.

4.14.2 DERIVATIVES CLEARING AND LIFECYCLE MANAGEMENT

4.14.2.1 EXCHANGE TRADED RECONCILIATIONS

- A. Contractor shall have the ability to provide automatic reconciliation of tax lot parcels, positions, and cash balances by CCY to ETD clearing brokers T+1.
- B. Contractor shall have the ability to process all life cycle events on the IBOR on T+1 basis and to process FX transactions and interest from broker statements.
- C. Contractor shall have the ability to reconcile Total Equity on a daily basis to broker.
- D. Contractor shall have the ability to provide trade files as required to fund administrators for accounting records.
- E. Contractor shall have the ability to automatically process futures and option expiry on T+1 basis from clearer statement with P/L.

4.14.2.2 EXCHANGE TRADED MARGIN MANAGEMENT

- A. Contractor shall have the ability to process and instruct margins as per clearing broker preliminary report and using client-defined buffers.
- B. Contractor shall have the ability to provide real time notification to the PMS/OMS of margin payments and receipts.

4.14.2.3 OVER THE COUNTER (OTC) TRADE MATCHING

- A. Contractor shall have the ability to process all OTC trades upon day of receipt instruction.
- B. Contractor shall have the ability to provide ACK/NAK at transaction level confirm receipt.
- C. Contractor shall have the ability to complete trade confirmation process via confirmation platform within market cut-offs- OTC-IRS (bi-lateral and CCP), CDS (bi-lateral and CCP), Bond and Currency FX Forwards, OTC, and FX Options, Swaptions & TRS (Bond and Equity). Contractor shall have the ability to provide ACK/NAK at transaction level confirm trade accepted for processing, to provide ACK/NAK at transaction level confirming matched. Contractor shall have the ability to manage OTC centralized clearing instructions. Contractor shall have the ability to provide cancel for unconfirmed trades and replace confirmed trade to PMS/OMS. Contractor shall have the ability to support Termination (Full & Partial) and to support Novations and Partial Novations. Contractor shall have the ability to support trade compression.

4.14.2.4 DERIVATIVES TRADE REPORTING (SSR/SFTR)

- A. Contractor shall have the ability to provide derivatives trade reporting in compliance with regulatory requirements: DTCC, ASIC, and EMIR.

4.14.2.5 PAYMENT AND RECEIPT MANAGEMENT

- A. Contractor shall have the ability to calculate and manage lifecycle events with counterparties for settlement.
- B. Contractor shall be able to instruct required payments/receipts covering expiry, resets, coupons, and premiums etc. for settlement and monitor completeness.
- C. Contractor shall have the ability to provide real time notification to the PMS/OMS of all cash flows related to lifecycle events.

4.14.2.6 OTC INDEPENDENT VALUATION

- A. Contractor shall have the ability to calculate the daily net market value of all outstanding derivatives by portfolio for each counterparty and asset type.
- B. Contractor shall have the ability to receive investment manager prices as required to update prices on positions in accounting record.
- C. Contractor shall have the ability to set up new OTC derivatives.

4.14.2.7 OTC RECONCILIATIONS

- A. Contractor shall have the ability to perform position and market value reconciliations electronically with counterparties.
- B. Contractor shall have the ability to perform tri-party / three-way reconciliations.
- C. Contractor shall have the ability to ensure breaks are identified and resolved on a T+1 basis.

4.14.3 COLLATERAL MANAGEMENT

4.14.3.1 COLLATERAL AGREEMENT SUPPORT

- A. Contractor shall have the ability to support management of Legal Entity Identifier (LEI), International Swaps and Derivatives Association (ISDA) and Credit Support Annex (CSA) agreements.
- B. Contractor shall have the ability to support management of OTC Central Clearers.

4.14.3.2 INITIAL AND VARIABLE MARGIN CALCULATIONS

- A. Contractor shall have the ability to support a daily mark-to-market of collateral.
- B. Contractor shall have the ability to calculate collateral requirements (net risk) on a daily basis (net market value minus threshold). Contractor shall allow for: setup of collateral margin minimum transfer amounts per entity per counterparty, set up of collateral margin minimum transfer amounts based on rating, set up of collateral margin tiered thresholds per entity per counterparty, and set up of collateral margin tiered thresholds based on rating.

- C. Contractor shall have the ability to create a margin notification for each portfolio and counterparty, including details of collateral calculations.
- D. Contractor shall have the ability to generate margin call transactions for each portfolio and counterparty.
- E. Contractor shall have the ability to instruct custodian for settlement of margin calls.
- F. Contractor shall have the ability to act under client preferred buffers to minimize movements.

4.14.3.3 INVENTORY MANAGMENT

- A. Contractor shall have the ability to maintain inventory for all positions by portfolio, by counterparty and by asset type.
- B. Contractor shall have the ability to manage links of collateral to underlying transactions.

4.14.3.4 MARGIN AND INVENTORY TRACKING

- A. Contractor shall have the ability to support collateral tracking for all types of collateral.
- B. Contractor shall have the ability to maintain collateral positions (received and pledged).
- C. Contractor shall have the ability to flag securities pledged as collateral for each portfolio and counterparty.
- D. Contractor shall have the ability to monitor collateral movements by portfolio and counterparty and resolve issues.
- E. Contractor shall have the ability to monitor settlement status of collateral movements and resolve issues.
- F. Contractor shall have the ability to include collateral positions in exposure calculations and margin requirements via online reporting.
- G. Contractor shall have the ability to include collateral positions in exposure calculations and margin requirements via data feeds.
- H. Contractor shall have the ability to calculate and validate haircuts on securities pledged or received for collateral.
- I. Contractor shall have the ability to evaluate security positions for eligibility against agreement terms.
- J. Contractor shall have the ability to calculate and validate interest on cash pledged/received as collateral at portfolio and counterparty level.
- K. Contractor shall have the ability to select different rates for interest rate calculations.
- L. Contractor shall have the ability to define terms of interest calculation at portfolio and counterparty level.
- M. Contractor shall have the ability to calculate and validate interest on securities pledged/received as collateral at portfolio and counterparty level.
- N. Contractor shall have the ability to monitor and action credit events.
- O. Contractor shall have the ability to monitor and action corporate events.
- P. Contractor shall have the ability to provide stress testing and scenario analysis.
- Q. Contractor shall have the ability to monitor and report collateral concentration.

4.14.3.5 ELIGIBILITY AND OPTIMIZATION

- A. Contractor shall have the ability to maintain rules and details of eligibility of securities as collateral by counterparty.
- B. Contractor shall have the ability to maintain rules and details of eligibility of securities as collateral by asset type.
- C. Contractor shall have the ability to monitor eligibility of securities received as collateral.
- D. Contractor shall have the ability to generate messages to reject non-eligible securities.
- E. Contractor shall have the ability to monitor eligibility of securities prior to being pledged as collateral.
- F. Contractor shall have the ability to identify optimal securities to be pledged / cheapest to deliver for each collateral requirement / trade
- G. Contractor shall have the ability to identify optimal securities to be pledged / cheapest to deliver for all requirements in the portfolio.
- H. Contractor shall have the ability to identify possible substitutions and manage recall / substitutions automatically.

4.14.3.6 OTC RECONCILIATION AND DISPUTE MANAGEMENT

- A. Contractor shall have the ability to perform collateral balance and position reconciliations daily on T+1 basis.

- B. Contractor shall have the ability to manage 1st line dispute process with counterparties based on agreed thresholds.
- C. Contractor shall have the ability to detect breaks.
- D. Contractor shall have the ability to generate and receive notifications.
- E. Contractor shall have the ability to perform partial margin payments until resolved.
- F. Contractor shall have the ability to report on status of current disputes via online tools.
- G. Contractor shall have the ability to report on status of current disputes via dashboards.
- H. Contractor shall have the ability to report disputes by counterparty.
- I. Contractor shall have the ability to report disputes by status.
- J. Contractor shall have the ability to report aged dispute items.
- K. Contractor shall have the ability to report dispute trends.
- L. Contractor shall have the ability to maintain audit trail of dispute history for reference.

4.14.3.7 REPORTING

- A. Contractor shall be able to provide reports on collateral to comply with regulatory requirements.

4.14.4 CASH MANAGEMENT AND FORECASTING

- A. Contractor shall have the ability to monitor cash sweeps and address any overdrafts.
- B. Contractor shall have the ability to provide SOD and intraday IBOR Cash Forecasting, including:
 - 1. Transaction Settlements covering all investment types,
 - 2. Dividend accruals,
 - 3. Interest payments,
 - 4. Fixed and variable maturities,
 - 5. FX Spot transactions,
 - 6. Forward currency maturities,
 - 7. Derivative maturities,
 - 8. Managed Fund distributions,
 - 9. Clean cash payments,
 - 10. Subscriptions and redemptions,
 - 11. Margin/Collateral payments,
 - 12. Custodian generated transactions and
 - 13. Capital calls

4.14.5 RECONCILIATIONS

- A. Contractor shall have the ability to perform EOD reconciliations to the PMS/OMS by 9 am or other defined market close timing covering:
 - 1. Positions,
 - 2. Cash,
 - 3. Outstanding Settlements,
 - 4. Accruals and
 - 5. Market value.
- B. Contractor shall have the ability to provide a reconciliation breaks report by 9 am or other defined market close timing.
- C. Contractor shall have the ability to provide reconciliation breaks and resolution action by 10 am or other defined market close timing.
- D. Contractor shall have the ability to adjust positions or provide transaction corrections via a file to PMS/OMS.

4.14.6 REGULATORY REPORTING

- A. Contractor shall have the ability to provide warnings based upon thresholds.
- B. Contractor shall have the ability to monitor threshold breaches for action.
- C. Contractor shall have the ability to monitor breaches and notify when holdings move under threshold.
- D. Contractor shall have the ability to lodge significant shareholder filings as required.
- E. Contractor shall have the ability to advise requirement for significant shareholder filings
- F. Contractor shall have the ability to provide online reporting and workflows to support client approvals.

G. Contractor shall have the ability to provide exposure reporting covering:

1. Security
2. Sector
3. Country
4. Currency
5. Counterparty
6. Credit Ratings
7. Asset Allocation Targets

4.15 SECURITIES LENDING SERVICES

- A. Contractor shall provide securities lending services relating to the investments and assets of the Pension Funds in accordance with N.J.A.C. 17:16-5, which can be accessed at: <http://www.lexisnexis.com/hottopics/njcode/>. Contractor shall furnish all services, materials, and personnel necessary to provide securities lending services to the DOI in compliance with those professional and/or fiduciary standards established as reasonable and customary by the industry for similar services. In the provision of securities lending services, Contractor shall conform to all applicable local, state, federal, and foreign laws, rules, and regulations governing such services.
- B. Contractor shall enter into a securities lending agreement with the DOI outlining specific operating procedures relating to the securities lending program. Note that the provisions of the agreement cannot be inconsistent with the provisions of the Standard Terms and Conditions and/or this RFP. If Contractor's standard agreement must be modified to conform to the Standard Terms and Conditions and/or the requirements of this RFP, please indicate that the proposed changes have been reviewed and approved by Contractor's legal representative.

This agreement should include, but need not be limited to, the following: designated assets, approved borrowers, master securities loan agreement, collateral level, mark to market provision, distributions, termination of securities loans, maintenance of collateral securities, loan premiums and rebates, reporting, revenue sharing, fees, indemnification provisions, termination provisions and collateral reinvestment rules and guidelines.

- C. Contractor shall enter into a Third Party Lending Operational Procedures Agreement with DOI and its custodian. Contractor shall bear all reasonable transaction costs charged by the custodian.
- D. Contractor shall provide securities lending services for global securities, including equity and fixed income securities, on an agency basis.
- E. Contractor shall require that all loans of securities be collateralized by cash or cash equivalents, subject to approval by the Director, at applicable collateralization levels, which give consideration to both competitive market levels and risk mitigation, and which will be directed and approved by the DOI.
- F. Contractor shall maintain a separate collateral pool for the DOI lending program apart from other clients' lending programs. DOI reserves the right to invest all or a portion of the collateral pool.
- G. The cash collateral shall be reinvested in securities permissible for investment under N.J.A.C. 17:16 and included on a list of securities permissible for securities lending transactions maintained by the Director. Such investments shall also be subject to exposure limits as determined by the Director.
- H. Contractor shall offer the following options for cash collateral reinvestment at DOI's discretion:
1. The cash collateral shall only be invested in deliverable repurchase agreements that comply with N.J.A.C. 17:16-33. The proposal should not contemplate the use of tri-party repurchase agreements.
 2. The cash collateral shall be invested in securities that comply with the Securities Lending Collateral Investment Guidelines attached as Attachment 5.
 3. The cash collateral shall be invested in securities which comply with the Investment Guidelines attached as Attachment 5, but subsequent to modifications as proposed by Contractor and approved by Council. Contractor shall include such proposed modifications in its bid that may result in increased income levels while maintaining a reasonable risk profile. There is no guarantee that DOI will approve modifications to achieve this option. Bidder must be willing to accept that the program will operate under 1 or 2 above.
- I. Contractor shall not loan securities that will result in negative income.
- J. Contractor shall collateralize and mark-to-market all loaned securities on each Business Day. The borrower shall be required to deliver additional collateral in the event the market value of the cash collateral is less than the required percentage of the market value of the loaned securities as required by the securities lending agreement. Loans with insufficient collateral must be adjusted within 24 hours and prior to the securities being re-loaned to the same borrowers.
- K. Contractor shall provide a full program indemnification specific to operational risk and borrower default. Such indemnification shall include indemnification for defaults such as failure to return securities, failure to pay the DOI for income distributions on the securities while they are on loan, failure to require and maintain adequate collateral, and

- bankruptcy. Contractor shall include a Proposal for collateral indemnification for consideration at the DOI's option. Contractor shall maintain sufficient net equity to provide the required indemnification(s) to the DOI.
- L. Contractor shall assist in the conversion process from the current provider, if applicable, specifically providing novation strategies and minimizing any losses to the program upon conversion. Contractor will bear all costs associated with implementation and conversion of the program.
- M. Contractor shall establish a list of proposed eligible borrowers and a maximum amount that may be borrowed by each borrower subject to review and approval by the DOI. In accordance with N.J.A.C. 17:16-5.4(a), not more than 15 percent of the market value of the assets of any Common Pension Fund shall be loaned to any one borrower. Upon written instructions from the DOI, Contractor shall remove a borrower from the list or suspend or terminate lending of securities from one or more Funds to one or more borrowers. Contractor shall conduct ongoing reviews of borrowers' qualifications and the balance on loan relative to approved borrowers' lending limits. Contractor shall notify the DOI immediately of any proposed modifications to individual borrower names and limits. No affiliate of Contractor shall be a borrower under the program.
- N. Contractor shall maintain a separate collateral pool for the DOI lending program apart from other clients' lending programs.
- O. Contractor shall provide next day liquidity at the option of the DOI for any securities on loan.
- P. Contractor shall provide internet access to daily program reporting which should include, but need not be limited to the following:
1. Lendable base, securities on loan, term, days out on loan, daily utilization, and net spread;
 2. Collateral, including daily collateral required and pledged, and collateralization levels by borrower, asset class, and total program;
 3. Outstanding loans and loan details by borrower;
 4. Collateral portfolio details;
 5. Daily, month-to-date, fiscal year-to-date, and year-to-date earnings detail; and
 6. Any other data points as requested by the DOI.
- Q. Contractor shall provide monthly detailed accounting reports to the DOI, by the fifth (5th) Business Day of each month, of all collateral activity and positions, lending transactions, securities on loan, gross income, rebates, and fees in accordance with the DOI's monthly closing deadlines. The DOI reserves the right to modify the closing schedule.
- R. Contractor shall provide all required information as requested for disclosure in the DOI's annual financial statements for cash collateral, non-cash collateral, and securities on loan in order to comply with applicable accounting standards, including, but not limited to, GASB 28 and 40.
- S. Contractor shall credit all payments-in-lieu-of distributions with respect to any loaned securities to the collateral account on the date such amounts are delivered by the borrower and add to the loan value any non-cash distribution as of the date such non-cash distribution is received by the borrower.
- T. Contractor shall have the capability to restrict individual assets from the lending program upon the DOI's direction at any time. Contractor shall terminate any loan upon receipt of instructions from the DOI and shall have the ability to recall loaned securities within the customary settlement period. Contractor shall preserve the DOI's voting rights for proxies by requiring all identified loaned securities be returned to the DOI prior to the record date of the security at the DOI's direction.
- U. Contractor shall assume responsibility for any and all overdraft expenses, lost interest, and other costs in the event of a simple default that results from the late delivery of securities that have been sold by the DOI.
- V. Contractor shall meet with the DOI on at least a quarterly basis, at the discretion of the DOI, to review the program. Contractor shall attend at least one State Investment Council meeting annually, at the discretion of the DOI, and provide an overview of the program.

4.16 TECHNOLOGY AND SYSTEMS REQUIREMENTS

A. SECURE INTERFACES

- Contractor shall provide secure interfaces with the DOI's trade order management system, (currently INDATA iPM) and the DOI's electronic FX trading system, if any, to receive transactions daily.
- Contractor shall provide support for SWIFT and FIX.
- Upon direction by the DOI, Contractor shall provide secure interfaces with the DOI's external investment advisers engaged by the DOI from time-to-time. Contractor shall discontinue exchanging data related to the DOI with any such adviser if directed to do so by the DOI.
- Contractor shall provide secure interfaces with the custodian(s) holding CMF assets for the DOI through an electronic feed to receive cash transaction information.

- Contractor shall provide electronic access to data to the DOI, consultants, investment advisers, record keepers, and any other third-party approved in advance by the DOI.
- Contractor shall provide the proper integration with other custodians to take in all relevant information related to any assets not custodied by Contractor, including cash flows, income, transfers, etc. in order to calculate accurate daily performance.
- Contractor shall securely provide electronic information daily, at a minimum, to the DOI's third-party portfolio analysis and other systems, as required. The following information shall be included:
 1. Transactions, including any backdated or missed transactions not sent initially or transactions subsequently revised;
 2. Portfolio positions;
 3. Valuations, including any backdated valuations not sent initially or transactions subsequently revised; and/or
 4. Security Master Data for new securities and changes to existing master data (daily).
- Contractor shall securely export positions, prices, cash, and book value adjustments into the trade order management system for reconciliation.
- Contractor shall have the ability to receive a direct feed from the DOI's Cash Management Fund custodian of daily transactions for integrated Pension Fund performance attribution and daily unitization.
- Contractor shall not require any legal waiver or disclaimer or agreement between users and Contractor as a condition to view online information.

B. REQUIREMENTS FOR INTERFACING WITH THE DOI DATA WAREHOUSE

- Contractor shall electronically transmit to a data warehouse designated by the DOI all audited transactions and month-end positions by the fifth (5th) Business Day following the end of each month or at such later time agreed to by the DOI subject to availability of information.
- Should there be a subsequent conversion to another data warehouse system or service at any time during the term of this contract, including any extensions thereof, Contractor will similarly provide an electronic interface to such successor system in the necessary data formats and may be required to provide such interfaces to both the former and successor systems during a period of parallel operation of both systems.
- Contractor shall provide a daily feed of transactions and valuations to the DOI's data warehouse, including any backdated transactions and valuations not sent initially.

C. TECHNICAL SUPPORT

- Contractor shall provide a technical point of contact within the firm familiar with the overall business relationship to work with the DOI to answer questions, discuss advances in the online services and address concerns.
- Contractor shall provide on-site training to the DOI staff during the initial conversion process and at any time when substantial changes have been made to any of the systems.
- Contractor shall provide onsite and virtual technical training for the DOI staff and specified DOI relationships. Training should be provided on an ongoing basis and for the onboarding of new DOI staff.

D. SYSTEMS REQUIREMENTS, INCLUDING ONLINE ACCESS

- Contractor shall provide secure, online, real time access to data held in Contractor's records via the internet. Complete histories of investment activity of all Fund holdings shall be maintained throughout the term of the custodial relationship. For performance evaluation purposes, total historical rates of return provided by the incumbent custodian(s) will be backloaded. Contractor may archive data after a mutually acceptable timeframe, subject however to restoration for online availability should such a need arise. At the end of the contract, Contractor shall provide data to the DOI in an acceptable format.
- Contractor shall provide adequate protection against unauthorized access to the DOI records under 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 Contractor's service must adhere to NJ Statewide Information Security Manual.
- Contractor shall use reasonable care to protect the confidentiality of all financial, statistical, and/or personnel data supplied to Contractor, provided that portfolio holdings information may be reported in an aggregate form with information from Contractor's other clients without specific reference to the Funds or the State.

- Contractor shall safeguard records against potential loss or destruction by fire, theft, vandalism, storm, earthquake, terrorism, or any other hazard, by replicating data to a secure location so that records can be recreated that are current at least to the prior month-end and any daily activity immediately preceding the occurrence of such event. Safeguards should include geo-redundant contingency sites for key operational sites, restricted access and authentication for data centers, and backup power and telecommunication options that can be immediately deployed.
- Contractor shall provide an established and proven plan for business continuation in emergency situations. Contractor shall recreate records and resume operations necessary for the daily investment activities of the DOI, including but not limited to, trade settlement, money movement and cash sweep (to include a verbal authorization plan to move from written or electronic signatures to verbal), and portfolio holding data essential to portfolio management, within eight hours of any occurrence of any major disaster or other cause which destroys records and/or interrupts normal operation of Contractor's systems. Contractor shall periodically test its business continuation plan and operating procedures. Every twelve months, Contractor shall provide assurances that testing confirmed their abilities to operate as indicated in Contractor's business continuation plan.
- Contractor shall retain computer records of all audited investment transactions and daily positions on electronically readable storage media for seven (7) years. 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, Contractor shall translate the information to a flat file, or other format mutually determined, for retention by the DOI.
- Contractor shall provide business critical reports, as identified by the DOI, 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.
- Contractor shall provide the means to connect to Contractor's systems via an alternate route to be used in the event that the connection normally used is not functional or the DOI has experienced a circumstance that requires using the DOI's offsite backup location.

4.17 TRANSITION

- A. Perform all procedures necessary to convert from the current custodian (State Street Bank) systems to the new Contractor's system of record:
 1. When requested by the DOI, Contractor shall present to the DOI a detailed plan for, as well as schedule of, the transition from the current custodian to Contractor. The plan and schedule must include the timing of each phase of the transition as well as the proposed involvement of Contractor's employees in the process, the level of involvement anticipated from the DOI's employees and the proposed involvement of the current custodian in the transition process;
 2. Contractor shall reconcile custody positions to the prior custodians' records, research all reconciling items, and correct all position discrepancies. The beginning balances posted to Contractor's systems shall be derived from the prior custodians' records including the cost and market values of securities;
 3. All interfaces, including, but not limited to, interfaces with the DOI, external investment advisers, pricing services, Bloomberg, third-party record keepers and service providers, benchmark providers and others must be ready and adequately tested prior to conversion, but in any event, no later than September 30, 2025, or an acceptable alternative provided as mutually agreed;
 4. The asset conversion process, including the reconciliation of custody positions, values, outstanding foreign tax claims, receivables, liabilities, net asset values in the aggregate and per unit, and the proper identification of reconciling items must be completed by November 30, 2025; all parallel processing shall run through December 31, 2025, with full operation on January 1, 2026.
 5. Contractor shall set up accounts per the DOI provided account schematic and instructions and authorized signatories per transaction type and limit. Contractor shall review and confirm with the DOI that accounts have been set up properly prior to parallel processing;
 6. Contractor shall provide the DOI with a complete list of required documentation to establish a relationship with Contractor satisfying all internal and international market requirements, and provide signature ready documents; and
 7. Contractor shall ensure the setup of all global markets for all subaccounts approved by the DOI prior to parallel processing.
- B. Upon termination of this contract, Contractor shall cooperate fully with the successor custodian(s) to facilitate the transition from Contractor's system to the successor's system at no additional cost.

- C. During transition, Contractor shall provide to the DOI and the successor custodian(s) any information about Contractor's system as may reasonably be needed by the successor to prepare for and effect the transition. Such information might include data formats, data element definition, update frequencies, etc. Contractor shall not be expected to provide proprietary information about its internal systems.
- D. Contractor shall provide to the successor custodian(s) a copy of all the DOI data in a mutually agreed form and format for test purposes.
- E. On the effective date of the conversion from Contractor to the successor custodian(s), Contractor shall provide a complete final copy of all the current DOI files to the successor custodian(s). To complete close-out of transactions in process, suitable and mutually agreed arrangements shall be made between Contractor, the DOI, and the successor custodian(s) for processing of such transactions received subsequent to the effective date of conversion.
- F. Contractor shall make a continued effort to collect and forward collected tax reclaims due to the DOI in a timely manner and coordinate with the successor custodian(s) on outstanding claims for as long as it receives reclaims.
- G. Contractor shall provide to the successor custodian(s) all securities, funds and other property held by Contractor and shall transfer to the appropriate account of the successor custodian(s) all of the Fund's securities.
- H. Upon termination, Contractor shall be responsible for continuing to perform its obligations during any contract transition period.

4.18 SERVICE ORGANIZATION CONTROL (SOC) REPORT

Contractor shall name the DOI and its auditors as intended users of Contractor's Public Fund Service Organization Control (SOC) reports and provide a copy of the SOC reports and respective bridge letters to DOI when available and to DOI's auditors as required.

4.19 PERSONNEL

- A. Contractor shall make appropriate personnel available to meet with the DOI staff on site, at dates and times determined by the DOI, at least quarterly, or more frequently if required by the DOI, to discuss services related to the DOI's needs.
- B. Additionally, Contractor shall provide an experienced and dedicated on-site administrator in Trenton at the DOI's premises daily. The DOI reserves the right of final approval of the on-site administrator.
- C. Contractor shall provide direct access to appropriate computer system technical staff for assistance with system problems.
- D. Contractor shall have in place a relationship management protocol that assures the appropriate escalation of issues and special projects within the context of the DOI relationship.
- E. Contractor shall 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 DOI RFP evaluation team during this procurement process during oral interviews.
- F. Contractor shall provide technical experts to advise the DOI on any GASB and FASB pronouncements that impact the accounts managed by the DOI.
- G. Contractor shall make appropriate personnel available to reconcile, communicate and provide resolution with all external advisers and/or agents of the DOI as required.
- H. Contractor shall provide adequate staffing and resources to facilitate reconciliations between the DOI's internal systems and Contractor's records at the discretion and direction of the DOI.

4.20 CLIENT CONFERENCES

- A. Contractor shall invite relevant DOI staff and SIC members to participate in Contractor's client conferences and any and all other client conferences or similar educational activities provided by Contractor and normally offered to Contractor's clients.
- B. Such client conferences and educational activities shall be considered part of services rendered by Contractor under this Contract, and all costs customarily paid or reimbursed by Contractor, such as registration fees, materials, transportation, lodging, conference meals and refreshments, related to such client conferences or similar educational activities shall be deemed part of this Contract. If the costs normally borne by Contractor are initially borne by the DOI, Contractor shall reimburse the DOI for such client conferences and educational activity costs.

4.21 OTHER FUNDS

From time to time, the DOI may create a new fund and invest assets in such fund within specified guidelines. Future services may be required related to custody, accounting, reporting, compliance, and performance (as defined in the requirements of this RFP)

for these assets. The transaction activity and net asset value cannot be forecast at this time. Contractor shall provide separate pricing information to include these potential services at a later date. The optional pricing must only be for additional funds that may be created. Contractor shall not charge for additional subaccounts that may be required, in the future, to meet modified reporting and performance requirements for State funds defined in this RFP.

5.0 GENERAL CONTRACT TERMS

Contractor shall have sole responsibility for the complete effort specified in this Contract. Payment will be made only to Contractor. 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 this Contract. 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 Contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance, or payment for any of the deliverables, goods or services, shall not be construed as a waiver of any rights that the State may have arising out of Contractor's performance of this Contract.

5.1 CONTRACT TERM AND TERMINATION

The base term of this Contract shall be for a period of seven (7) years.

This Contract may be extended up to three (3) years with no single extension exceeding one (1) year, by the mutual written consent of Contractor and the State at the same terms, conditions, and pricing at the rates in effect in the last year of this Contract or rates more favorable to the State.

5.2 CONTRACT TRANSITION

In the event that a new Contract has not been awarded prior to the expiration date for this Contract, including any extensions exercised or to ensure an orderly transition of the services provided during reprocurement, and the State exercises this Contract transition, Contractor shall continue this Contract under the same terms, conditions, and pricing until a new Contract can be completely operational. At no time shall this transition period extend more than 365 Calendar Days beyond the expiration date of this Contract, including any extensions exercised.

During transition, Contractor shall provide relevant personnel to provide transitional training, access, and knowledge transfer to the State or incoming Contractor, which shall be completed within eight (8) weeks or less following Contract expiration date. End of Contract transition will require Contractor to cooperate with all parties necessary to facilitate the knowledge transfer including making the appropriate staff available for training and providing the necessary knowledge and skills required to maintain and support, in accordance with the requirements of this RFP.

5.3 OWNERSHIP OF MATERIAL

- A. **State Data** – The State owns State Data. Contractor shall not obtain any right, title, or interest in any State Data, or information derived from or based on State Data. State Data provided to Contractor 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. Except as specifically required by the requirements of the RFP, State 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 State Contract Manager.
- B. **Work Product; Services** – 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. **Vendor Intellectual Property; Commercial off the Shelf Software (COTS) and Customized Software** – Contractor retains ownership of all Vendor Intellectual Property, and any modifications thereto and derivatives thereof, that Contractor supplies to the State pursuant to the Contract, and grants the State a non-exclusive, royalty-free license to use Vendor Intellectual Property delivered to the State for the purposes contemplated by the Contract for the duration of the Contract including all extensions. In the event Contractor provides its standard license agreement terms with its Proposal, such terms and conditions must comply with *RFP Section 1.4 – Order of Precedence of Contractual Terms*. Any such agreement will fall to 7th position in the Order and is subject to a review of its terms.

- D. **Third Party Intellectual Property** – Unless otherwise specified in the RFP that the State, on its own, will acquire and obtain a license to Third Party Intellectual Property, 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 beyond that in the Proposal price. In the event 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 RFP requirements, including the SSTC, the State will accept such terms and conditions with the exception of the following: indemnification, limitation of liability, choice of law, governing law, jurisdiction, and confidentiality. The RFP including the SSTC shall prevail with respect to such conflicting terms and conditions. In addition, 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 Proposal. If Contractor uses Third Party Intellectual Property, Contractor must indemnify the State for infringement claims with respect to the Third-Party Intellectual Property. 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 Contractor, secured by the State as required by the RFP, or otherwise supplied by the State.
- E. **Work Product; Custom Software** – The State owns all Custom Software which shall be considered “work made for hire”, i.e., the State, not Contractor, its Subcontractor(s), or any 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, Contractor, Subcontractor, or third party hereby assigns to the State, or Contractor shall 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.
- F. **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 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 the 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 State Contract Manager. The State’s license to Contractor is limited by the term of the Contract and the confidentiality obligations set forth in the RFP and Standard Terms and Conditions.
- G. **No Rights** – 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. 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. 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.

5.4 SUBSTITUTION OF STAFF

If a Contractor needs to substitute any management, supervisory or key personnel, Contractor shall identify the substitute personnel and the work to be performed. Contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted for the individual(s) proposed as substitute(s) whom must have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

Contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until Contractor has received written approval to proceed from the State Contract Manager.

6.0 MODIFICATIONS TO THE STANDARD TERMS AND CONDITIONS

Section 4.2 of the Standard Terms and Conditions regarding insurance is modified with the addition of the following section 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 the 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 the 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 the DOI promptly of any cancellation or change of coverage, and at least annually, Contractor shall provide to the 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."

Banker's Blanket Bond: 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.

Cyber Breach Insurance: Contractor shall carry Cyber Breach Insurance in sufficient amounts to protect Contractor from any liability arising out of a cyber breach that occurs during its performance of this Contract. This insurance shall be in an amount of not less than \$2,000,000 in such policy forms as shall be approved by the State. The insurance shall, at a minimum, cover the following: data loss, ransomware and similar breaches to computers, servers and software; protection against third-party claims; cost of notifying affected parties; cost of providing credit monitoring to affected parties; forensics; cost of public relations consultants; regulatory compliance costs; costs to pursue indemnity rights; cost to data breach and credit monitoring service to analyze the insured's legal response obligations; costs of defending lawsuits; judgments and settlements; regulatory response costs; costs of responding to regulatory investigations; and costs of settling regulatory claims. The Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions (Revised January 11, 2022), except for Section I.B and Section II.H, shall not apply to this procurement.

7.0 PROPOSAL EVALUATION AND AWARD

7.1 RIGHT TO WAIVE

The DOI reserves the right to waive minor irregularities or omissions in a bid proposal. The State also reserves the right to waive a requirement that is not material, provided that:

- the requirement is not mandated by law;
- all of the otherwise responsive proposals failed to meet the requirement; and
- 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

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.

7.3 RECIPROCITY FOR JURISDICTIONAL BIDDER PREFERENCE

In accordance with N.J.S.A. 52:32-1.4, the State of New Jersey will invoke reciprocal action against an out-of-State Bidder whose state or locality maintains a preference practice for its in-state Bidders. The State of New Jersey will use the annual surveys compiled by the Council of State Governments, National Association of State Procurement Officials, or the National Institute of Governmental Purchasing or a State's statutes and regulations to identify States having preference laws, regulations, or practices and to invoke reciprocal actions. The State of New Jersey may obtain additional information as it deems appropriate to supplement the stated survey information.

A Bidder may submit information related to preference practices enacted for a State or Local entity outside the State of New Jersey. This information may be submitted in writing as part of the Proposal response, including name of the locality having the preference practice, as well as identification of the county and state, and should include a copy of the appropriate documentation, i.e., resolution, regulation, law, notice to Bidder, etc. It is the responsibility of the Bidder to provide documentation with the Proposal or submit it to the Using Agency within five (5) Business Days after the deadline for Proposal submission. Written evidence for a specific procurement that is not provided to the Using Agency within five (5) Business Days of the public Proposal submission date may not be considered in the evaluation of that procurement but may be retained and considered in the evaluation of subsequent procurements.

7.4 CLARIFICATION OF PROPOSAL

After the Proposal submission deadline, unless requested by the State as noted below, Bidder contact with the Using Agency regarding this RFP and the submitted Proposal is not permitted. After the Proposals are reviewed, one, some or all of the Bidders may be asked to clarify statements contained within the submitted Proposal. A request for clarification may be made in order to resolve minor ambiguities, irregularities, informalities, or clerical errors. Clarifications cannot correct any deficiencies or material omissions and cannot be used to revise or modify a Proposal.

7.5 ORAL PRESENTATIONS AND DEMONSTRATIONS

After the Proposals are reviewed, one, some or all of the Bidders may be asked to give an oral presentation concerning its Proposal. The State may request the Bidder to provide a demonstration of the Bidder's systems. A Bidder may not attend the oral presentations or demonstrations of another Bidder.

7.6 STATE'S RIGHT TO CHECK REFERENCES

The State may consult with clients of the Bidder during the evaluation of Proposals. Such consultation is intended to assist the State in making a Contract award that is most advantageous to the State.

7.7 EVALUATION CRITERIA

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate Proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process.

7.7.1 TECHNICAL EVALUATION CRITERIA

The following criteria will be used to evaluate and score Proposals received in response to this RFP:

- A. Personnel: The qualifications and experience of the Bidder's management, supervisory, and key personnel assigned to the Contract, including the candidates recommended for each of the positions/roles required;
- B. Experience of the Bidder: The Bidder's documented experience in successfully completing Contract of a similar size and scope in relation to the work required by this RFP; and
- C. Ability of the Bidder to complete the Scope of Work based on its Technical Proposal: The Bidder's demonstration in the Proposal that the Bidder understands the requirements of the Scope of Work and presents an approach that would permit successful performance of the technical requirements of the Contract.

7.7.2 PRICE EVALUATION

For evaluation purposes, Bidders will be ranked from lowest to highest according to the prices set forth on the State-Supplied Price Sheet accompanying this RFP.

7.7 PROPOSAL DISCREPANCIES

In evaluating Proposals, discrepancies between words and figures will be resolved in favor of words. Discrepancies between Unit Prices and totals of Unit Prices will be resolved in favor of Unit Prices. Discrepancies in the multiplication of units of work and Unit Prices will be resolved in favor of the Unit Prices. Discrepancies between the indicated total of multiplied Unit Prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum of the column of figures.

7.8 BEST AND FINAL OFFER (BAFO)

The DOI may invite one 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 does not result in more advantageous pricing to the State will not be considered, and the State will evaluate the Bidder's most advantageous previously submitted pricing. If required, after review of the BAFO(s), clarification may be sought from the Bidder(s).

The DOI may conduct more than one (1) round of negotiations and/or BAFOs in order to attain the best value for the State. BAFOs will be conducted only in those circumstances where it is deemed 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 State may, after evaluation, make a Contract award based on the content of the initial submission.

7.9 NEGOTIATION

After evaluating proposals, the DOI reserves the right to negotiate 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 the DOI to safeguard information and ensure that all Bidders are treated fairly.

Negotiations will be conducted only in those circumstances where it is deemed 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 State may, after evaluation, make a Contract award based on the content of the initial submission.

7.10 POOR PERFORMANCE

A Bidder with a history of performance problems may be bypassed for consideration of an award issued as a result of this RFP. The following materials may be reviewed to determine Bidder performance:

- A. Contract cancellations for cause pursuant to Section 5.7(B) of the Standard Terms and Conditions;
- B. Information contained in Vendor performance records;
- C. Information obtained from audits or investigations conducted by a local, state, or federal agency of the Bidder's work experience;
- D. Current licensure, registration, and/or certification status and relevant history thereof; or
- E. Bidder's status or rating with established business/financial reporting services, as applicable.

Bidders should note that this list is not exhaustive.

7.11 RECOMMENDATION FOR AWARD

After the evaluation of the submitted Proposals is complete, the Evaluation Committee will recommend to the Director the responsible Bidder(s) whose Proposal(s), conforming to this RFP, is (are) most advantageous to the State, price and other factors considered.

7.12 CONTRACT AWARD

Contract awards will be made with reasonable promptness by written notice to those responsible Bidders, whose Proposals, conforming to this RFP, are most advantageous to the State, price, and other factors considered. Notice of the State's intent to award shall be posted on the DOI website:

<https://www.nj.gov/treasury/doinvest/rfp.shtml>.

8.0 GLOSSARY

8.1 GENERAL DEFINITIONS

Acceptance – The written confirmation by the Using Agency that Contractor has completed a Deliverable according to the specified requirements.

All-Inclusive Hourly Rate – An hourly rate comprised of all direct and indirect costs including, but not limited to: labor costs, overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

Best and Final Offer or BAFO – Pricing timely submitted by a Bidder upon invitation after the Proposal submission deadline, with or without prior discussion or negotiation.

Bid or RFP – The documents which establish the bidding and Contract requirements and solicits Proposals to meet the needs of the Using Agencies as identified herein, and includes the RFP, State of New Jersey Standard Terms and Conditions (SSTC), State-Supplied Price Sheet, Attachments, and Bid Amendments.

Bid Amendment – Written clarification or revision to this RFP issued by the Division. Bid Amendments, if any, will be issued prior to Proposal submission deadline.

Bid Submission Deadline – The date Proposals will be closed to further Proposal submissions.

Bidder – An entity offering a Proposal in response to the RFP.

Breach of Security – as defined by N.J.S.A. 56:8-161, means unauthorized access to electronic files, media, or data containing Personal Data that compromises the security, confidentiality, or integrity of Personal Data when access to the Personal Data has not been secured by encryption or by any other method or technology that renders the Personal Data unreadable or unusable. Good faith acquisition of Personal Data by an employee or agent of the Provider for a legitimate business purpose is not a Breach of Security, provided that the Personal Data is not used for a purpose unrelated to the business or subject to further unauthorized disclosure.

Business Day – Any weekday, excluding Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Calendar Day – Any day, including Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Commercial off the Shelf Software or COTS – Software provided by Provider that is commercially available and that can be used with little or no modification.

Contract – The Contract consists of the State of NJ Standard Terms and Conditions (SSTC), the RFP, the responsive Proposal submitted by a responsible Bidder as accepted by the State, the notice of award, any Best and Final Offer, any subsequent written document memorializing the agreement, any modifications to any of these documents approved by the State and any attachments, Bid Amendments or other supporting documents, or post-award documents including Change Orders agreed to by the State and Contractor, in writing.

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

Customized Software – COTS that is adapted or configured by Provider to meet specific requirements of the Authorized Purchaser that differ from the standard requirements of the base product. For the avoidance of doubt, “Customized Software” is not permitted to be sold to the State under the scope of this Contract.

Days After Receipt of Order (ARO) – The number of calendar days ‘After Receipt of Order’ in which the Using Agency will receive the ordered materials and/or services.

Deliverable – Goods, products, Services and Work Product that Contractor is required to deliver to the State under the Contract.

Discount – The standard price reduction applied by the Bidder to all items.

Division – The Division of Investment.

Evaluation Committee – A group of individuals or a Using Agency staff member assigned to review and evaluate Proposals submitted in response to this RFP and recommend a Contract award.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction, and any other costs.

Hardware – Includes computer equipment and any Software provided with the Hardware that is necessary for the Hardware to operate.

Internet of Things (IoT) – the network of physical devices, vehicles, home appliances and other items embedded with electronics, software, sensors, actuators, and network connectivity which enables these objects to connect and exchange data.

Joint Venture – A business undertaking by two (2) or more entities to share risk and responsibility for a specific project.

Key Personnel - those who have authority or responsibility for the design or management of a project, as well as those involved in recruitment, data collection and management activities, including those responsible for maintaining participant privacy or data confidentiality.

May – Denotes that which is permissible or recommended, not mandatory.

Mobile Device – means any device used by Provider that can move or transmit data, including but not limited to laptops, hard drives, and flash drives.

Must – Denotes that which is a mandatory requirement.

Net Purchases – means the total gross purchases, less credits, taxes, regulatory fees, and separately stated shipping charges not included in unit prices, made by Intrastate Cooperative Purchasing Participants,

regardless of whether or not **NJSTART** is used as part of the purchase process.

No Bid – The Bidder is not submitting a price Proposal for an item on a price line.

No Charge – The Bidder will supply an item on a price line free of charge.

Non-Public Data – means data, other than Personal Data, that is not subject to distribution to the public as public information. Non-Public Data is data that is identified by the State as non-public information or otherwise deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance, or administrative rule from access by the general public as public information.

P&L or “Profit & Loss” - a financial report that shows a company's profit or loss over a specific period of time.

Percentage Discount or Markup – The percentage bid applied as a Markup or a Discount to a firm, fixed price contained within a price list/catalog.

Performance Security – means a guarantee, executed subsequent to award, in a form acceptable to the Division, that the successful Bidder will complete the contract as agreed and that the State will be protected from loss in the event Contractor fails to complete the contract as agreed.

Personal Data means – “Personal Information” as defined in N.J.S.A. 56:8-161, means an individual’s first name or first initial and last name linked with any one or more of the following data elements: (1) Social Security number, (2) driver’s license number or State identification card number or (3) account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual’s financial account. Dissociated data that, if linked would constitute Personal Information is Personal Information if the means to link the dissociated were accessed in connection with access to the dissociated data. Personal Information shall not include publicly available information that is lawfully made available to the general public from federal, state or local government records, or widely distributed media; and/or Data, either alone or in combination with other data, that includes information relating to an individual that identifies the person or entity by name, identifying number, mark or description that can be readily associated with a particular individual and which is not a public record, including but not limited to, Personally Identifiable Information (PII); government-issued identification numbers (e.g., Social Security, driver’s license, passport); Protected Health Information (PHI) as that term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 and defined below; and Education Records, as that term is defined in the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g.

Personally Identifiable Information or PII – as defined by the US Department of Commerce, National Institute of Standards and Technology, means any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or

linkable to an individual, such as medical, educational, financial, and employment information.

Project – The undertakings or services that are the subject of this RFP.

Protected Health Information or PHI – has the same meaning as the term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 means Individually Identifiable Health Information (as defined below) transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. PHI excludes education records covered by the Family Educational Rights and Privacy Act (FERPA), as amended, 20 U.S.C. 1232g, records described at 20 U.S.C. 1232g(a)(4)(B)(iv) and employment records held by a covered entity in its role as employer. The term “Individually Identifiable Health Information” has the same meaning as the term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 and means information that is a subset of Protected Health Information, including demographic information collected from an individual, and (1) is created or received by a health care provider, health plan, employer or health care clearinghouse; and (2) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (a) that identifies the individual; or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

Proposal – Bidder’s timely response to the RFP including, but not limited to, technical Proposal, price Proposal including Best and Final Offer, any licenses, forms, certifications, clarifications, negotiated documents, and/or other documentation required by the RFP.

Proposal Submission Deadline – The date Proposals will be closed to further Proposal submissions.

Request For Proposals (RFP) – This series of documents, which establish the bidding and contract requirements and solicits Proposals to meet the needs of the Using Agencies as identified herein, and includes the RFP, State of NJ Standard Terms and Conditions (SSTC), price schedule, attachments, and Bid Amendments.

Security Incident – means the potential access by non-authorized person(s) to Personal Data or Non-Public Data that the Provider believes could reasonably result in the use, disclosure, or access or theft of State’s unencrypted Personal Data or Non-Public Data within the possession or control of the Provider. A Security Incident may or may not turn into a Breach of Security.

Services – Includes, without limitation (i) Information Technology (IT) professional services, (ii) Software and Hardware-related services, including without limitation, installation, configuration, and training, and (iii) Software and Hardware maintenance and support and/or Software and Hardware technical support services.

Shall – Denotes that which is a mandatory requirement.

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

Software – means, without limitation, computer programs, source codes, routines, or subroutines supplied by Provider, including

operating software, programming aids, application programs, application programming interfaces and software products, and includes COTS, unless the context indicates otherwise.

Software as a Service or SaaS – means the capability provided to a purchaser to use the Provider’s applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface. The purchaser does not manage or control the underlying cloud infrastructure, including network, servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

State – The State of New Jersey.

State Confidential Information – shall consist of State Data and State Intellectual Property supplied by the State, any information or data gathered by Contractor in fulfillment of the Contract and any analysis thereof (whether in fulfillment of the Contract or not);

State Contract Manager or SCM – The individual, responsible for the approval of all deliverables, i.e., tasks, sub-tasks, or other work elements in the Scope of Work. The SCM cannot direct or approve a Change Order.

State Data – means all data and metadata created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State’s hardware, the Provider’s hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Provider. State Data includes Personal Data and Non-Public Data.

State Intellectual Property – Any intellectual property that is owned by the State. State Intellectual Property includes any derivative works and compilations of any State Intellectual Property.

State-Supplied Price Sheet – the bidding document created by the State and attached to this RFP on which the Bidder submits its Proposal pricing as is referenced and described in the RFP.

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

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

Task – A discrete unit of work to be performed.

Third Party Intellectual Property – Any intellectual property owned by parties other than the State or Contractor and contained in or necessary for the use of the Deliverables. Third Party Intellectual Property includes COTS owned by Third Parties, and derivative works and compilations of any Third-Party Intellectual Property.

Trade Date – The specific day on which buying or selling a security occurs.

Unit Cost or Unit Price – All-inclusive, firm fixed price charged by the Bidder for a single unit identified on a price line.

Using Agency - “DOI” or Division of Investment.

VaR or “Value at Risk” - financial metric that estimates the potential loss of an investment over a specific period of time.

Vendor – Either the Bidder or Contractor.

Vendor Intellectual Property – Any intellectual property that is owned by Contractor and contained in or necessary for the use of the Deliverables or which Contractor makes available for the State to use as part of the work under the Contract Vendor Intellectual Property includes COTS or Customized Software owned by Contractor, Contractor’s technical documentation, and derivative works and compilations of any Vendor Intellectual Property.

Work Product – Every invention, modification, discovery, design, development, customization, configuration, improvement, process, Software program, work of authorship, documentation, formula, datum, technique, know how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) that is specifically made, conceived, discovered, or reduced to practice by Contractor or Contractor’s subcontractors or a third party engaged by Contractor or its subcontractor pursuant to the Contract Notwithstanding anything to the contrary in the preceding sentence. Work Product does not include State Intellectual Property, Vendor Intellectual Property or Third-Party Intellectual Property.

8.2 CONTRACT SPECIFIC DEFINITIONS

Common Pension Fund – A common trust fund used to pool the assets of certain individual Pension Plans for the purposes of investing, which is governed by the State Investment Council Regulations (N.J.A.C. 17-16-69).

Custodian – The “Contractor” or “Bidder”

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

FIX – Financial Information eXchange – An information and data protocol used to disseminate price and trade information among investment banks and broker-dealers.

Fund(s) or State Fund(s) – The various funds under this Contract, either individually or in the aggregate.

Geo-redundant – The distribution of mission critical components or infrastructures such as servers across multiple data centers that reside in different geographical locations.

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 (CPFPF), and Prison Officers’ Pension Fund (POPF).

Service Level Agreement (SLA) - the service level expectations for a service provider, which details the expected response times to issues raised based on assigned severity, and details how severity is assigned to issues.

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

State Investment Council Regulations -- Administrative rules governing permissible investments, limitations and fund accounting requirements formulated by the State Investment Council.

SWIFT – Society for Worldwide Interbank Financial Telecommunications – A messaging network that financial institutions use to transmit information and instruction through a standardized system of codes.

Well Capitalized – An entity that meets minimum capital ratio requirements.