



Office of the Vermont State Treasurer

109 State St, 4th Floor
Montpelier, VT 05609-6200
802-828-2301

ATTN: TREASURY OPERATIONS DIVISION

SIMPLIFIED BID REQUEST

BID TITLE: Cash and Securities RFP
ISSUE DATE: Tuesday, January 21, 2014
QUESTIONS DUE: Monday, January 27, 2014
ANSWERS POSTED: Wednesday, January 29, 2014
BID DUE DATE: Tuesday, February 4, 2014 by 3:00 PM ET

The Office of the Vermont State Treasurer requests bids for custodian of cash and securities. **State standard contract provisions are attached.**

Please e-mail your bid to TRE.RFP@state.vt.us. Late bids will be rejected.

All correspondence must reference the bid title. The single point of contact for questions is Scott Baker at **scott.baker@state.vt.us**.

Scope of Services to be provided as custodian of cash and securities:

- Safekeep securities;
- Collect all income and maturity proceeds;
- Maintain record of receipts and disbursements;
- Maintain short-term securities clearing account;
- Maintain collateralized interest bearing concentration account;
- Purchase and sell securities in accordance with instructions from the State, or investment manager if needed;
- Process corporate actions;
- Provide a monthly transaction statement with portfolio valuation;
- Provide a monthly transaction statement, and report copies to investment managers or outside parties if needed;
- Make daily automatic transfers of cash balances into a money market fund;
- Provide an annual summary of related income tax information, if necessary;
- Respond to audit confirmations as requested by our internal and external auditor;
- Provide access to a secure web site on the Internet of account(s);
- Enable export of account transaction information to Excel or spreadsheet software to facilitate arbitrage rebate computations for bond accounts;
- Provide data in format that permits sorting in GASB 40 disclosure.

In signing this bid, we understand and agree to all terms, conditions and specifications, and acknowledge that the Office of the State Treasurer bid document on file shall be controlling. We certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a bid; that this bid has been independently arrived at without collusion with any other bidder or potential competitor; that this bid has not been knowingly disclosed prior to the opening of bids to any other bidder or competitor; that the above statement is accurate under penalty of perjury.

BID FROM: _____ DATE: _____

(Company Name)
SIGNATURE: _____ TYPE OR PRINT NAME: _____

TITLE: _____ TELEPHONE NUMBER: (____) _____

FAX NUMBER: (____) _____

EMAIL ADDRESS: _____ WEB SITE: _____

Please attach an itemized fee list and a copy of your current procedures, brochures, disclosure statements and other materials that would assist us in evaluating your service.

Account Descriptions:

1. Trust Investment Account:
Balance at December 31, 2013 - \$65 million. Investments include index mutual funds, currently (by ticker) VINIX at 40%, VBTIX at 55% and ACCSX at 5%.
2. Short-term investment account –currently unused; historical utilization circa 2005-2006 was for Fannie Mae and Freddie Mac discount notes and CP:
Purchases – 387 totaling \$2.764 Billion – Average \$131,619,048/month
Redemptions – 385 totaling \$2.695 Billion – Average \$128,333,333/month
3. Cash account – currently up to \$100 million, collateralized with U.S. Treasury, agency and GSE securities. FHLB LOC also acceptable.
4. Bond proceeds accounts – approx. \$80 million per year in 2-3 accounts, drawn down within three years. Investments could include money market mutual funds, short-term fixed income securities, repurchase agreements and guaranteed investment contracts.

Other Information:

Revisions to this bid may be made only by an official written amendment Issued by the Office of the State Treasurer. **Answers to questions received will be posted to <http://www.vermonttreasurer.gov/rfps> on or before Wednesday, January 29.**

Pricing and terms will be in effect for 120 days from the bid due date. Bid prices shall be quoted monthly to include the following:

Monthly administrative fee

Transaction fees:

- per security issue held
- per security transaction *
- per check disbursement
- per domestic wire disbursement
- other fees – please specify

Note: If an account requires extraordinary services, there will be an additional charge based on the work performed. Fees and services are subject to periodic review and revisions.

Fees shall be calculated and invoiced to the State on a monthly basis.

- Security transactions include: Purchases, Sales, Exchanges, Redemptions, Rights, Stock Dividends, Registrations, Free Deliveries. Money market transactions are not included.

This Simplified Bid Request form must be completed and returned. If your bid is not signed, it may be disqualified.

RETAIN A COPY OF YOUR BID RESPONSE FOR YOUR FILES.

ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, “Party” shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed

herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

- 8. Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
- 9. Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a single audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

A single audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a single audit is required.

- 10. Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings

involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.

11. Fair Employment Practices and Americans with Disabilities Act: Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. Set Off: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. Taxes Due to the State:

- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. Child Support: (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of

the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. No Gifts or Gratuities: Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. Copies: All written reports prepared under this Agreement will be printed using both sides of the paper.

18. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

19. Certification Regarding Use of State Funds: In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

(End of Standard Provisions)