

REQUEST FOR PROPOSALS (RFP) FOR GLOBAL CUSTODIAN AND SECURITIES LENDING SERVICES



RFP #23-02

JANUARY 17, 2023



IDENTIFICATION OF OFFEROR'S PROPRIETARY INFORMATION

Offerors are advised that the Washington State Investment Board is a Washington State Public Agency and is thus, subject to public records requests. There are permissible exemptions from public disclosure pursuant to chapter 42.56 of the Revised Code of Washington (RCW) but they are limited, narrow in scope, and strictly construed. Offerors wishing to claim portions of their response as confidential and exempt from public disclosure are advised to carefully read sections 5.5.1 and 5.6 of this RFP for more detail.

CONTENTS

Identification of Offeror’s Proprietary Information.....	2
Contents	3
SECTION 1: Introduction.....	6
1.1 Background	6
1.2 Purpose	6
1.3 Overview of the Organizations.....	7
SECTION 2: Statement of Work	10
2.1 Scope of Work	10
2.2 Custodial Account Management.....	10
2.3 Additional Core Custody Requirements.....	10
2.3.1 Accounting and Custody Requirements.....	10
2.3.2 Trade Settlement Requirements	12
2.3.3 Cash Management & Cash Control	13
2.3.4 Performance Measurement and Analytics.....	14
2.3.5 Investment Data	15
2.3.6 Secure Interface	16
2.3.7 Technical Support.....	17
2.3.8 Systems and Operations Information Security Requirements.....	17
2.3.9 Technology / Systems Requirements	18
2.3.10 Middle Office Trade Settlement.....	19
2.3.11 Statutory Accounting Requirements – Labor & Industry Funds.....	19
2.4 Compliance Monitoring and Reporting.....	20
2.5 Class Action Filing.....	20
2.6 Securities Lending Requirements.....	21
2.7 Organization Resource and Staffing.....	22
2.8 Transition Planning and Support.....	22
2.9 Additional Custodial services	23
SECTION 3: Offeror Qualifications	24
3.1 Mandatory Minimum Qualifications.....	24
SECTION 4: General Information	26
4.1 Definitions	26
4.2 Compensation and Payment.....	26
4.3 Expected Time Period for Contract.....	26

SECTION 5: Instructions for Completing and Submitting Proposals	27
5.1 Board Contact.....	27
5.2 Intent to Respond to Questions	27
5.3 Non-Disclosure Agreement	27
5.4 Schedule of Procurement Activities	28
5.5 Procurement Modification.....	28
5.6 Procurement Instructions	28
5.6.1 Submitting Proposals.....	28
5.6.2 Information and Format Requirements	29
5.7 Proprietary Information	31
5.8 Records Retention.....	32
5.9 Preparation and Travel Costs	32
5.10 Proposal Evaluation.....	32
5.10.1 Evaluation Process.....	32
5.10.2 Evaluation Criteria (Written Proposals)	33
5.11 Addenda to the RFP	34
5.12 Submission Limit	34
SECTION 6: WSIB Rights.....	35
6.1 Information Clarification/Rejections.....	35
6.2 Contract Award	35
6.3 Publicity	35
6.4 Waivers.....	35
SECTION 7: Miscellaneous Terms and Conditions	36
7.1 Successful Offeror Notification	36
7.2 Right to Protest, Determination of Timeliness, and Protest Procedures.....	36
7.2.1 Contents of Protest	36
7.2.2 Types of Protest.....	36
7.3 Debriefing of Unsuccessful Offerors	37
7.4 Stay of Contract Execution During Protests.....	37
7.5 Entitlement to Costs.....	37
7.6 Minority & Women-Owned Business Participation	37
7.7 General Contract Terms and Conditions	37



EXHIBIT "A"	LETTER OF INTENT TO RESPOND
EXHIBIT "B"	GENERAL INFORMATION AND CONTACT SHEET
EXHIBIT "C"	MANDATORY MINIMUM QUALIFICATIONS COMPLIANCE CERTIFICATE
EXHIBIT "D"	CERTIFICATIONS AND ASSURANCES
EXHIBIT "E"	QUESTIONNAIRE
EXHIBIT "F"	FEE PROPOSAL SECURITIES LENDING SERVICES
EXHIBIT "G"	FEE PROPOSAL GLOBAL CUSTODIAN SERVICES
EXHIBIT "H"	REFERENCES
EXHIBIT "I"	SAMPLE CONTRACT – GLOBAL CUSTODIAL SERVICES
EXHIBIT "J"	SAMPLE CONTRACT – SECURITIES LENDING SERVICES (ACCESS TO THIS EXHIBIT REQUIRES AN EXECUTED NDA – SEE SECTION 5.3)
EXHIBIT "K"	CURRENT ACCOUNT LISTING AND DETAILED HOLDINGS BY ACCOUNT AS OF JUNE 30, 2022 (ACCESS TO THIS EXHIBIT REQUIRES AN EXECUTED NDA – SEE SECTION 5.3)
EXHIBIT "L"	ACCOUNTING REPORT EXHIBITS (ACCESS TO THIS EXHIBIT REQUIRES AN EXECUTED NDA – SEE SECTION 5.3)

SECTION 1: INTRODUCTION

1.1 BACKGROUND

The Washington State Investment Board (hereinafter WSIB or Board), is issuing this Request for Proposals (RFP) for the purpose of soliciting proposals from qualified firms to provide global custody and securities lending services for the investments of the WSIB, to include settlement, safekeeping, delivery, investment accounting, income collection, securities valuation, daily investment performance reporting, compliance reporting, short-term cash investments, and other services in connection with these investments.¹ The successful offeror will have demonstrated the ability to tailor automated solutions to meet the needs of global asset managers of equal or greater size and complexity to the WSIB. The successful offeror will also have demonstrated commitment to highest ethical standards.

To learn more about the WSIB and to inform your response to the questionnaire, please visit our website at www.sib.wa.gov.

Two separate contracts with the firm selected will result from this RFP, one with the firm as global custodian bank and one with the firm as securities lender.

The global custodian contract falls within the statutory authority of both the WSIB and the Office of the State Treasurer (OST). While the WSIB will work with the global custodian and be responsible for implementing the contract, the OST also will be a party to this contract. The WSIB and the OST reserve the right to make additional changes to the custody contract during the RFP process.

The securities lending service falls within the statutory authority of the WSIB, and the WSIB will be the sole state participant on this contract. The WSIB reserves the right to make changes to the contract during the RFP process.

1.2 PURPOSE

The OST and the WSIB seek a cost-effective custodial solution with a talented and experienced client service team, leading edge technology, and seamless delivery of custody, accounting, reporting, and securities lending services. The successful offeror's client servicing philosophy is expected to be best in class. WSIB expects to be assigned a dedicated client servicing team consisting of knowledgeable and experienced individuals.

The successful offeror will be a fiduciary of the WSIB and will have discretionary authority with respect to the lending of securities allotted to the custodian's lending program by the WSIB and will maximize returns by enhancing the ability of the WSIB to gain income from securities held in the portfolio, while operating within WSIB securities lending and cash collateral guidelines.

WSIB requires a qualified firm to provide a broad array of institutional securities lending services for current and future programs within the fixed income and public equity portfolios. The operational support, flexibility and responsiveness of institutions submitting proposals will be carefully weighed, to include the functional structure of the complete relationship and the cohesiveness of each area supporting the WSIB relationship as it pertains to securities lending.

Should the WSIB decide to restructure a currently commingled equity investment account to a separately managed account with the assets of that account upon such change thereafter custodied with the selected custodian, the WSIB reserves the right, at its sole discretion, to continue to have the former commingled account manager lend the assets in

¹ The Office of the State Treasurer has approved the WSIB to conduct this procurement for the services of a state custodian bank for the assets under the investment responsibility of the WSIB.

the resulting separate account. In the event such a restructure is made, it is anticipated that the selected custodian and manager would cooperatively distribute the operational costs to the custodian that would be equitable and industry best practice under this scenario. Specific accounts that may be available for custodian and third-party lending are identified in Exhibit “K” and will be available to Offerors during the RFP process as described in Section 5.3.

The successful offeror must agree to support third-party lending maintaining adequate staffing and technical resources for this process.

1.3 OVERVIEW OF THE ORGANIZATIONS

The Washington State Investment Board (WSIB), located in Olympia, WA, is a Washington State agency created by the 1981 Washington State legislature. The statute is found in Chapter 43.33A RCW.

As outlined above, the WSIB performs “all duties with respect to the investment of public trust and retirement funds” unless otherwise prescribed by law (RCW 43.33A.010). Led by an independent 15-member board, as described in RCW 43.33A.020, the WSIB is also governed by general statutes and rules established for all Washington State agencies, officials, and employees in the performance of their public duties. Ten voting members and five non-voting members comprise the Board.

The WSIB is organized much like most investment management organizations, with a board and executive committee providing enterprise leadership. Distinct teams provide investment management, research and asset allocation, financial accounting and administration, legal services and risk oversight.

The Investment team is comprised of investment professionals who manage WSIB’s major asset classes, including public equity, private equity, real estate, tangible assets, and fixed income.

The Operations team provides comprehensive support of the investment and administrative functions, including legal services, investment accounting, trade settlement, cash management, and close monitoring of investment transactions and operational compliance.

The Institutional Relations team manages external stakeholder relations, corporate governance, public affairs, media inquiries, and communications such as regular performance reports, annual reports and web site content.

The Board conducts its investment activities in accordance with applicable Washington State laws and in accordance with investment policies and procedures designed to maximize returns at a prudent level of risk, and exclusively in the sole interests of the funds’ stakeholders and beneficiaries.

With respect to Board activity, the Board generally meets monthly to set policy, review investment results and act upon staff and consultant investment recommendations. Staff internally manages the fixed income assets and one publicly traded equity portfolio. External money managers or advisors are retained under contract as investment fiduciaries to manage all other assets. Investment consultants and other service providers are also retained to advise and/or assist the Board in the discharge of its responsibilities.

The WSIB manages investments for 17 separate pension plans comprising of approximately 40 custodial accounts for public employees, teachers, school employees, law enforcement officers, firefighters and judges. The defined benefit retirement funds are invested through the Retirement Commingled Trust Fund (CTF), which is unitized, valued, and priced monthly. As of June 30, 2022, the value of the CTF was \$150.0 billion. The primary asset classes in the CTF are:

public equity, fixed income, private equity, real estate, and tangible assets. In addition, there is an overlay program set up to invest in futures and other derivatives. Exhibit “K” will contain detailed holdings and current account schematics which include current custodial accounts and structure.

The second largest fund type managed by the WSIB is the Washington State Department of Labor and Industries (LNI) Industrial Insurance Funds in four distinct accounting funds and thirteen separate custodial accounts. The fund has four internally managed fixed income portfolios and invests in public equity through commingled unit trust vehicles. As of June 30, 2022, the net asset value of the LNI funds was \$18.5 billion. LNI has unique accounting requirements specific to insurance companies. The custodian is expected to provide technology and appropriate staffing with expertise in regulatory accounting to maintain records for these funds on both a Generally Accepted Accounting Principal basis (generally follows Governmental Accounting Standards Board pronouncements) and a statutory accounting basis following pronouncements issued by the National Association of Insurance Commissioners (NAIC). Exhibit “K” will contain detailed holdings and current Account Schematics which includes current custodial accounts and structure.

The third largest fund type managed by the WSIB is Permanent Funds for the state of Washington. There are six distinct fund types which utilize nineteen separate custodial accounts. As of June 30, 2022, the net asset value of the funds was \$1.1 billion. Pursuant to Washington State laws, corpus is maintained while the income is distributed for educational purposes to various beneficiaries. The WSIB manages the Commingled Monthly Bond Fund (CMBF) for the benefit of the permanent fund beneficiaries. The Commingled Monthly Equity Fund (CMEF) is externally managed for the benefit of the permanent fund beneficiaries. The CMBF and CMEF is priced (NAV per unit) and income distributed monthly. Exhibit “K” will contain detailed holdings and current Account Schematics which includes current custodial accounts and structure.

Other fund types managed by the WSIB include the Developmental Disabilities Endowment Trust (DDEF), the Guaranteed Education Tuition (GET) Program, and the Washington State Opportunities Scholarship (WSOS). As of June 30, 2022, the net asset value of these other funds was \$1.7 billion consisting of 29 separate custodial accounts. Exhibit “K” will contain detailed holdings and current account schematics which includes current custodial accounts and structure.

As trustee of the Plan 3 retirement systems for the state of Washington (Public Employees Retirement System [PERS 3], School Employees Retirement System [SERS 3], and Teachers Retirement System [TRS 3]), the WSIB is responsible for the investment of plan assets and the provision of self-directed investment options to plan members. Similarly, the WSIB is also responsible for investing Deferred Compensation Plan (DCP) funds and providing investment options for program participants. The WSIB internally manages three daily-valued funds for this purpose: the Washington State Bond Fund, the Savings Pool, a guaranteed insurance contract fund, and the U.S. TIPS Fund, each as separate custodial accounts with combined assets under management of \$3.6 billion as of June 30, 2022. Other funds managed by the WSIB may hold units in the Daily Bond Fund in addition to defined contribution participants. No record keeping at the participant level is required by the custodian bank. Exhibit “K” will contain detailed asset holdings.

The WSIB utilizes several custodial accounts to facilitate cash movement for real estate limited liability companies and to external participant recordkeepers for defined contribution pension plans, deferred compensation programs, and other miscellaneous accounts. Generally, these accounts are clearing accounts and have no short-term investment fund or resultant sweep process. There are currently eight custodial clearing accounts.

The public equity program employs a combination of passive and active mandates including global, international and emerging markets. This includes both separate accounts as well as commingled funds. Of note, only separate accounts are available for custodian securities lending.

WSIB staff internally manages fixed income investments for approximately 8 separate portfolios including the CTF, Plan 3 retirement funds, DCP, LNI, and Permanent Funds. The main sectors in these portfolios are U.S. treasuries, TIPS, agencies, credit bonds, mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), and asset backed securities (ABS). Foreign denominated bonds are also held.

The WSIB's private equity investment partnerships range from leveraged buyouts of mature companies to the investment of initial capital in start-up enterprises. This private equity portfolio originated in 1981 and is invested primarily in limited partnerships. The WSIB employs a third-party service provider to perform the detailed accounting and monthly valuation reporting. Accounting and reporting by the custodian for this asset class will be at the fund and account levels only.

WSIB real estate investments deliver risk-adjusted returns consistent with the WSIB's long-term return expectations for the asset class, in various legal structures. The majority of the WSIB's externally managed real estate partnerships are invested in high-quality properties leased to third parties. The WSIB employs a third-party service provider to perform the detailed accounting and monthly valuation reporting. Accounting and reporting by the custodian for this asset class will be at the fund and account level only.

The WSIB tangible assets program invests in various legal entities that include assets used in the production of goods and services. The portfolio focuses on upstream and midstream segments in four main industries: minerals and mining, energy, agriculture, and society essentials. The WSIB employs a third-party service provider to perform the detailed accounting and monthly valuation reporting. Accounting and reporting by the custodian for this asset class will be at the fund and account level only.

The WSIB Innovation portfolio gives staff the ability to make strategic investments that fall outside the established asset class programs currently used by the Board. In addition, this portfolio provides the Board with comfort and demonstrated success before committing larger dollar amounts to new innovative investment strategies. The WSIB employs a third-party service provider to perform the detailed accounting and monthly valuation reporting. Accounting and reporting by the custodian for this asset class will be at the fund and account level only.

Total assets under management as of June 30, 2022, was approximately \$182.3 billion.

To inform your response and to aid in preparation of your answers to the questionnaire, please visit the WSIB website at www.sib.wa.gov. The WSIB's 2022 ESG Report is available at <https://sib.wa.gov/docs/info/esg.pdf>.

The Office of the State Treasurer (OST) serves as the bank for the Washington State government. The office manages cash flow of all major Washington State accounts with deposits, withdrawals and transfers totaling more than \$350 billion in Fiscal Year 2021. The office allocates Washington State operating cash to investments that bear interest but remain available for withdrawal as needed, and it grows the short-term surplus operating cash of cities, school districts, counties and other taxing bodies through its Local Government Investment Pool. The office keeps careful accounts of all transactions, using the Agency Financial Reporting System (AFRS) and the custom-developed Treasury Management System (TM\$). Technology supporting the Treasury Management System (TM\$) is guided by the OST's Information Technology Services Strategic Plan.

The OST is also responsible for issuing and managing Washington State debt. Washington State debt is issued via bond sales to finance major capital and transportation projects and through certificates of participation to finance real estate and equipment for Washington State agencies and local governments. The OST also manages the School Bond Guarantee Program which assures voter-approved bonds issued by school districts. Information regarding the OST may be found at <https://www.tre.wa.gov/>.

SECTION 2: STATEMENT OF WORK

2.1 SCOPE OF WORK

The scope of work is to provide global master custody services relating to the investments and assets of the WSIB. The custodian shall furnish all services, materials and personnel necessary to provide custody services for the WSIB in compliance with those professional and fiduciary standards established as reasonable and customary by the industry for similar services. In the provision of custodial bank services, the custodian shall conform to all applicable local, state and federal laws, rules and regulations governing such services.

2.2 CUSTODIAL ACCOUNT MANAGEMENT

The custodian shall provide the required custodial account management and safekeeping services as outlined in Exhibit "I" Sample Contract – Global Custodial Services.

2.3 ADDITIONAL CORE CUSTODY REQUIREMENTS

The WSIB reserves the right to forego or terminate the services described in sections 2-3 through 2-5 at any time during the Contract.

2.3.1 Accounting and Custody Requirements

1. Serve as the official "book of record" for the WSIB.
2. Provide trade date multi-currency accounting (local and base-U.S. dollars) with full accruals.
3. Investments will be booked at cost and reported with updated market values daily.
4. Gains and losses shall be calculated on an average cost basis.
5. Accounting must be on a fiscal year basis, July 1 to June 30.
6. Provide accounting services for all investments in the WSIB portfolio including (but not limited to) the following:
 - a. Domestic and International Equity and Fixed Income Portfolios
 - b. Cash equivalents
 - c. Private Asset investments (excluding back-office services)
 - d. Options, futures, forwards, swaps, and any other derivative instruments
7. Provide accounting services for all income and security transactions (cash and non-cash) including (but not limited to) the following:
 - a. Securities lending income. Please note the WSIB reports gross lending income with deductions reported as expenses for broker rebates and lending fees paid to lending agent pursuant to applicable accounting standards.
 - b. Tax reclaim receivables
 - c. Dividend reinvestment programs
 - d. Corporate actions, including (but not limited to) mergers, acquisitions, tenders, stock splits, warrants, dividends, and spinoffs.
 - e. Additional services as may be requested by the WSIB.
8. Accurate segregation and accounting of income and expense by type reported in the statement of changes in net assets to include interest income, dividend income, capital gains, capital losses, unrealized gains/losses, accrual basis fees, FX gains and losses, etc.
9. Accrued expenses posted monthly to the net asset value of each account.
10. Provide cash adjusted market values for private asset investments daily.

11. Facilitate foreign market opening, filing global tax reclaims, monitor global tax reclaims, income recovery and foreign tax laws changes.
12. Foreign tax liability will be filed and monitored, and the tax reclaim process will be actively managed with tax reclaims and collections processed to the extent provided by the most recent tax treaties. Detailed tax reclaim treaty provision information and monthly reconciliations of outstanding tax reclaims for WSIB will be provided. Please note the WSIB manages several different account types with different tax status (i.e. pension fund versus general government);
13. All portfolios (where daily information is available) will be priced daily and have daily accounting for computing daily performance and net asset values. Where daily pricing is not available, pricing direction will be provided by WSIB.
14. Provide a comprehensive pricing protocol and system, which will independently ensure the accuracy of the prices received from various external sources daily. This system will employ procedures to verify the primary price to a secondary pricing source, compare prior day's prices to current day's prices, and investigate changes outside established tolerances as well as changes from prior period that appear unreasonable in relation to current market trends.
15. Provide a clear mapping of custodian general ledger accounts to the WSIB corresponding general ledger accounts. Provide a monthly general ledger feed in a format and manner prescribed by the state of Washington, Office of Financial Management.
16. Provide daily net asset values (i.e. price per unit) for the WSIB's daily valued portfolios; provide an unaudited daily net asset value price per unit and an audited monthly daily net asset value price per unit for the WSIB's Commingled Trust (CTF).
17. Provide necessary ledger and reporting composites.
18. Provide GASB reporting for annual financials, including but not limited to GASB 72 and GASB 53. Providing technical assistance in implementing recently released accounting pronouncements issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
19. At the WSIB's request, provide a year-end financial reporting package to enable preparation of WSIB's annual report. Reporting should include detailed support that agrees to each line item for audit purposes. The custodian shall have the ability to combine accounts into one report using various reporting and aggregation scenarios.
20. Support accounting ad hoc queries and reporting requirements and provide additional reporting as may be requested by WSIB.
21. Reconcile Custody to Accounting records daily.
22. Close all monthly books by the 6th business day and provide audited monthly accounting reports no later than the 7th business day for all custodied accounts.
23. Ability to support multiple manager asset transitions in conjunction with the WSIB or appointed transition managers.
24. Provide sophisticated asset management services to our external equity managers including but not limited to:
 - a. Adequate staffing to meet daily needs
 - b. Timely market opening and maintenance documentation
 - c. Cash management support including FX trade services
25. Reconcile WSIB cash and securities positions with depositories and sub-custodians daily, except where market standards differ.
26. Provide a comprehensive system for the automation and accounting of vendor expense payments and the proper reporting of fees by type, account, and vendor in the accounting system. Provide 1099 tracking and filing, tax withholding and payment, for vendors covered by applicable Internal Revenue Service regulations. Ability to compute and automatically allocate expenses across funds based on net asset value.

27. Provide signature-ready foreign market opening documents that are specific to the WSIB entity type (public pension fund or state government) required by each foreign market for each account trading in those markets in a tax efficient manner. Monitor foreign market documentation requirements on an ongoing basis to maintain open accounts in the foreign markets; notify and assist WSIB with those requirements. Provide research and insight into markets enabling the WSIB to make decision on market openings.
28. Provide a corporate action system for collection and notification (including timely detailed reporting of client entitlements and deadlines) that allows WSIB to input their elections and view reports via an online interface; the system must have a flexible user interface to maximize the efficiency and minimize the needs for repetitive activities resulting in the elections being reflected in all accounting systems.
29. Within a timeframe sufficient for relevant receipt, analysis and vote determination, provide proxies and proxy statements to the WSIB or their designee prior to annual and special meetings for U.S. corporations. For foreign corporations such proxies and proxy statements will be provided to the WSIB or their designee subject to local market practice for international assets, but at minimum, for the relevant market, in such a manner consistent with the practice of the custodian's industrial peers.
30. At the request of the WSIB, provide proxy voting capabilities for U.S. and foreign holdings, including proxy voting services, notification of proxy information, translation of foreign proxies, and a monthly report detailing all proxy voting activity.
31. Timely set-up of new proxy voting accounts in conjunction with WSIB and their designee, provide record/audit of those accounts upon request.
32. Provided assurances through a third-party auditor opinion and analysis that internal controls reviews are being conducted in compliance with standards under the Custodian's Public Fund Service Organization Control (SOC) reporting and any successor disclosures.
33. Undertake a comprehensive system of selecting sub-custodians, evaluating, and monitoring their internal control structures, performance and financial condition, enabling assurance that proper settlement will be coordinated for non-US equity, non-US fixed income and other non-US investments including derivative instruments.

2.3.2 Trade Settlement Requirements

34. Provide security clearing (for any market approved by WSIB) at all security clearing operations, i.e., Depository Trust Company, Federal Reserve, Euroclear, Cedel, etc.
35. Settle, and safe keep or electronically register all book entry, and physically held securities.
36. Settlement will be performed on a delivery versus payment basis and free of payment when required.
37. The custodian is expected to process trades in a straight-through-processing (STP) environment to the greatest extent possible, enabling linkages and technologies to eliminate manual settlement processes.
38. Ability to provide real time settlement status with appropriate comments from clearing agent.
39. Ability to settle and instruct the authorized transfer and delivery of physically held securities and provide vault facilities for the safekeeping of securities not eligible for depositories.
40. Provide after-hours settlement support (follow the sun model) with the ability to amend and correct trades in the local market.
41. Ability to process and settle cleared and uncleared derivative products.
42. Fail float protection on all traded securities; credit sales on contractual settlement date and benefit from failed buys, within the restrictions of each country.
43. Ability to accept electronic trade instructions (SWIFT, FIX, etc.) from internal and external WSIB managers for all trading activity.
44. Ability to correct open trades for mandatory corporate actions.
45. Monitor and pursue claims with sub-custodians and tax authorities.

46. Coordinate clearing account transactions with the designated third-party recordkeepers for the defined contribution and deferred compensation program.

2.3.3 Cash Management & Cash Control

47. Provide an automated daily sweep, by account, to custodian short-term investment fund (STIF) or external money market funds, as directed by the WSIB on a contractual settlement basis.
48. Contractor shall provide, if necessary, a collateralized investment vehicle for funds received after the daily wire cutoff.
49. Contractor shall provide cash reporting including the following:
 - a. Provide daily cash projection reports for WSIB internally managed accounts.
 - b. Provide same day sweep report to reconcile actual sweep balances prior to sweep cutoff.
 - c. Provide reports that detail any overdraft positions globally.
 - d. Provide cash reports via the online system that include:
 1. Any reversals changing the cash position.
 2. Custody cash and accounting cash.
 3. Trade date cash and settlement date cash.
 4. Other cash management reports as requested by WSIB.
 5. Ability to provide settlement date income for all accounts.
50. Ability to support multiple STIF vehicles with varying deadlines. The custodian shall have an automated system to calculate cash flows generated in one account which could be combined and swept to different accounts automatically.
51. Custodian shall be able to support a daily wire transfer to/from the OST.
52. Account for gross cash management income and cash management fees separately.
53. At the discretion and direction of the WSIB, undertake purchase, sale, or crossing of foreign currencies, or foreign exchange transactions on eligible accounts identified by the WSIB, including transactions executed with or through the custodian, its affiliated business units, its agents or sub custodians in the best interest of the WSIB and its beneficiaries. The custodian shall provide the WSIB with the best price and execution on foreign exchange transactions and currencies traded. Where foreign markets allow, invest any foreign currency balances left overnight in appropriate, agreed upon short term investment vehicle(s). Provide WSIB next day reports on these balances including interest earned or accrued.
54. Conduct foreign exchange transactions in an automated fashion with full transparency of price, actual execution time, and mark-up or spread charged, if any. Full transparency means the actual price available in the market for the exact type of transaction, on the day of the transaction, at the time of execution. In addition, the custodian shall provide the WSIB with documentation of best execution, price, actual execution time, and spread daily.
55. Provide a secure online system allowing WSIB operations to purchase and sale foreign currencies to support the private market cashflow needs.
 - a. Ability to provide a standard pricing schedule for WM Reuters Benchmark spot foreign exchange transactions.
56. Provide accurate daily trade date cash balances, preferably from the accounting system, to support the cash overlay program.
57. Provide a secure online wire instruction platform for domestic and non-domestic wire transfers that includes, at a minimum, the following features:
 - a. An audit trail tied to each user profile and tracks all cash movement activities
 - b. Different levels of wire approvers
 - c. User authentication
 - d. Promotes a separation of duties between wire initiators and approvers

- e. Time and date stamps on all activities
- f. Reflect outstanding wires
- g. Ability to save payment templates and store common and repetitive wire instructions
- h. Cash reporting capabilities in excel and text formats
- i. Instruction of accounting treatment of wire

2.3.4 Performance Measurement and Analytics

- 58. Provide daily and/or monthly performance reports detailing market performance, portfolio performance, and any level of detail or any aggregate deemed necessary by the WSIB. Reports are to include current as well as historical data. Existing reports include but are not limited to:
 - a. Daily (unaudited but reasonable) reports to be provided by 5:00 A.M. PT.
 - b. Monthly portfolio benchmark data (unaudited but reasonable) to be provided by 5:00 A.M. PT on 1st business day after month end.
 - c. Preliminary returns of daily funds (audited) by 3rd business day of the month.
 - d. Index report (audited) by 3rd business day of the month.
 - e. Monthly audited core performance reports for the prior month's reporting cycle by the 9th business day of the month provided by email.
 - f. Monthly sector/sub-industry, region/country, and CUSIP level reports by the 9th business day of the month.
 - g. Final monthly portfolio data available in the system by 10th business day of the month.
 - h. Quarterly file with underlying information for daily funds including but not limited to sector, issuer, composition, ratings, and characteristics provided by the 10th business day after quarter end.
- 59. 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 WSIB.
- 60. Portfolio returns are to be gross, net of management fees, or net of all fees, and calculation methodologies should be current with industry standards. Audited reports provided to the WSIB will use net of all fees.
- 61. Review cash flow policy annually. This document outlines overall performance methodology, tolerance levels, and procedures around when to make cash flow adjustments.
 - a. Provide monthly cash flow file delivered by email outlining what was reviewed, and any adjustments made, no later than the 9th business day of the month.
- 62. Ability to provide impact analysis of proposed change or corrections that impact performance returns.
- 63. Support all WSIB policy benchmarks, including but not limited to Bloomberg, Russell, and MSCI indices.
- 64. Provide returns (and/or access) for Trust Universe Comparison Service (TUCS) in accordance with the following parameters:
 - a. Preliminary TUCs returns to be provided on the 3rd business day of the following month after quarter end.
 - b. Final TUCs report to be provided approximately 6 weeks after quarter end.
- 65. Ability to support *ad hoc* queries and provide additional reporting that may be requested by WSIB at no additional cost.
- 66. Load and store all historical performance data into the performance measurement and analytics system.
- 67. Transmit raw performance data, transactions data, rates of return, index returns for WSIB benchmarks or any other information concerning the WSIB's accounts to vendor(s) selected by the WSIB daily, monthly and any other frequency determined by the WSIB.
- 68. Provide performance analytics and attribution analysis for WSIB accounts versus relevant agreed-upon benchmarks in a format acceptable to the WSIB. Regarding global equity performance attribution, it needs to include no less than the following:

- a. Performance calculated daily and monthly
 - b. Look-through capability to plan participants;
 - c. Impacts from local and currency to the attribution model; and
 - d. Single-level and multi-level structures capabilities by country and region/country.
69. Quarterly, the custodian's performance and analytics staff will electronically deliver a professional capital markets review to the necessary WSIB staff. This review will be due 25 calendar days after the close of the prior calendar quarter.
70. WSIB and the custodian may mutually agree (by documenting in a signed Memorandum of Understanding) to a later delivery schedule for performance reports subject to availability of third-party information or substantive changes in WSIB portfolio composition or structure.

2.3.5 Investment Data

71. Provide access to accounting, performance, and other custodial data via online channels including:
- a. An interactive web portal that enables authorized users to define and run ad hoc reporting to access data
 - b. Automated data feeds which export and transmit data via secure file transfer protocol (SFTP) or similar data transfer protocol
 - c. Data feeds support both standard bulk extracts and custom reports defined by a user via a web portal
 - d. Access to real-time custodian data via an Application Programming Interface (API)
72. Provide access to daily, monthly, yearly, core accounting reporting including but not limited to:
- a. Trial balances
 - b. Positions
 - c. Cash statements
 - d. Income receivable/payable
 - e. Net Asset Values (NAV)
73. Provide access to a master list of all securities (Security Master) held in the WSIB portfolio and benchmarks including:
- a. Security Master Data for new securities and changes to existing master data (daily)
 - b. All available security identifiers and names
 - c. Other known information such as industry classification or instrument type
74. Provide access to a master list of all accounts, composites, and benchmarks the WSIB is invested in including:
- a. Names and identifiers of the accounts, composites, and benchmarks
 - b. Other known information about the funds such as inception date
75. Provide access to security level portfolio positions for all WSIB accounts including:
- a. Daily unaudited positions and audited monthly positions
 - b. Monthly security-level look-through positions for commingled accounts
 - c. Position data should include price, shares, base and local valuations, and other available detail
76. Provide access to custodian performance data for all WSIB accounts including:
- a. Unaudited daily performance at the composite, account, and security level
 - b. Monthly and daily audited returns at the composite, account, and security level
 - c. Performance data including return type (e.g. gross, net), return window (e.g. 1 day, 3 months), valuation used for performance, and other available detail
77. Provide access to benchmark data including:

- a. Daily and monthly index returns for all relevant WSIB benchmarks including non-policy benchmarks that are of interest
 - b. Return type should include return type (e.g., gross, net), return window (e.g., 1 day, 3 months), and other available detail
78. Provide access to additional accounting detail data including daily:
- a. Transaction-level data
 - b. General ledger activity and balances, include monthly data
 - c. FX activity including forward and spot transactions
 - d. Open payables and receivables, include monthly data
 - e. Daily lot-level holdings
79. Provide access to underlying custody data (e.g., SWIFT transaction detail) upstream of accounting controls for WSIB research purposes
80. Provide access to a document management system and provide designated WSIB staff with online access
- a. The system should capture investment documents such as capital call and distribution notices
 - b. Documents should be available via online channels including a web-portal, FTP, and API
 - c. The system should provide meta-data about the documents such as date received and document type
81. Implement data controls to ensure data integrity and proactively flag and resolve data issues before it is released to the WSIB
82. Designate a technical point of contact available to engage WSIB technical staff to partner and develop data integrations and resolve technical issues as they arise
83. All data, documents and other records maintained or created in connection with the provision of the scope of services shall be and remain the exclusive property of the WSIB and retained in accordance with instructions provided by the WSIB.

2.3.6 Secure Interface

84. Interface with the WSIB's external equity investment managers and with those managers, which may be added by the WSIB from time to time.
85. Interface with the WSIB's back-office private market consultant to support monthly valuations and other investment related data
86. Requirements for Interfacing with the WSIB Verification System
- a. Electronically transmit all audited transactions and month-end positions by the fourth (4th) business day following the end of each month for internally managed funds and the sixth (6th) business day for external equity manager accounts. However, the WSIB may otherwise agree to, in writing, a later delivery schedule for transaction reports subject to availability of third-party information or substantive changes in WSIB portfolio composition or structure.
 - b. Should there be a subsequent conversion to another verification system or service at any time during the term of this Contract, including any extensions thereof, the custodian will similarly provide an electronic interface to such other 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.
 - c. Provide a daily feed of positions and transactions including any backdated transactions and valuations not sent initially.
 - d. Provide a daily feed of cash and accounting transactions prior to the daily sweep in the private market funds to the verification system.

2.3.7 Technical Support

- 87. Provide a technical point of contact within the firm familiar with the overall business relationship to work with the WSIB to answer questions, discuss advances in the online service or risk measurement, and address concerns.
- 88. Provide on-site training to WSIB staff during the initial conversion process and at any time when substantial changes have been made to the master trust/custody software or other information-delivery software.

2.3.8 Systems and Operations Information Security Requirements

- 89. Account Management and User Provisioning
 - a. There may be only one user associated with an account. Users may not share an account.
 - b. Role-based access controls should be used whenever feasible, to support changes in staff or assigned duties and provide separation of duties.
 - c. The standard security principle of granting the least privilege necessary to perform assigned duties must always be used, where administratively feasible.
- 90. Audit Logging
 - a. An audit record must be kept of every log-in and log-off of the hosted system.
 - b. An audit record must be kept of every unsuccessful log-in attempt to the hosted system
 - c. An audit record must be kept of every time and end user's account is disabled by the hosted system
 - d. An audit record must be kept of every transaction that adds, deletes or modifies WSIB information
 - e. An audit record must be kept of every attempt to access information that the end user is not authorized to access
 - f. An audit record must be kept for every activity, successful or failed, within the hosted system by trusted user/administrators
 - g. Audit records must be available upon request and kept for 90 days.
- 91. Encryption Standards
 - a. The transmission of WSIB data must be encrypted end to end.
 - b. WSIB confidential data at rest must be encrypted.
 - c. WSIB confidential data at rest must be encrypted.
 - d. Data must be encrypted with one of the following encryption algorithms at rest or in transit:

Algorithm	Minimum Key Length
DSA	2048 bits
ECDSA	256 bits
RSA	2048 bits
Diffie-Hellman	2048 bits
ECDH	256 bits

- 92. Third-party Service Providers - Additional Controls
 - a. All security control groups outlined within this section above are required of third-party services providers. In addition, the security controls identified within the following must also be met.
 - b. WSIB data and structure must not be visible to other customers of the third-party service provider or be available to use in "general" literature and benchmarking.

- c. WSIB data must reside solely on systems hosted within the Continental US. No WSIB data shall be stored, backed-up, or collocated outside the Continental US.
 - d. Provide independent verification audit reports to the WSIB. The WSIB will determine the report type required based on the data involved and/or solution proposed.
 - e. Provide SOC2, type II attestation; and,
 - 1. SOC reports must be within the last 12 months and shall be provided to WSIB annually, each year thereafter.
 - 2. The service organization must provide a plan to correct negative findings prior to the delivery of any services. Negative findings must be formally accepted by the WSIB.
 - f. A disaster recovery plan may be required of the third-party service provider and will be determined by the WSIB based on the data involved and /or solution proposed.
 - g. Upon WSIB request, data in the possession of or stored on third-party service provider's systems must be returned in a format reasonably acceptable by the WSIB. After the WSIB formally accepts the returned data, data must be permanently removed from third-party service provider's possession and written assurances provided to the WSIB.
 - h. Third-party service provider shall report any confirmed or suspected Incident to the WSIB immediately upon discovery and identify:
 - 1. The Confidential Information at issue,
 - 2. The person(s) involved in the Incident (if known),
 - 3. Any responsive mitigation measures which have been taken (or which are proposed to be taken), and
 - 4. What corrective action third-party service provider has taken (or plans to take) to prevent future similar Incidents.
 - 5. In addition, third-party service provider shall provide any related additional information and/or reports reasonably requested by the WSIB. In the event Contractor undertakes any investigation of a suspected Incident, it shall keep the WSIB regularly apprised of its investigatory progress.
 - i. Third-party service provider shall implement physical security controls, including:
 - 1. Key card badging system
 - 2. Logs of all inbound and outbound access of facility (up to 90 days)
 - 3. Fire detection and protections capabilities
 - 4. Confidential shredding or destruction onsite if WSIB physical media are involved
93. Ownership of Data
- a. Any and all data, documents and other records maintained or created in connection with the provision of the scope of services shall be and remain the exclusive property of the WSIB.

2.3.9 Technology / Systems Requirements

94. Provide adequate protection against unauthorized access to WSIB records under the custodian's control. The system must provide the ability to authenticate users, audit access and changes to data, and restrict or grant users privileges in accessing and changing data based on their role. The infrastructure controls, and processes supporting the custodian's service must be comparable to Washington State IT security standards (see <https://ocio.wa.gov/policy/securing-information-technology-assets-standards>).
95. Safeguard records against potential loss or destruction by fire, theft, vandalism, storm, earthquake, terrorism or any other hazard, by replication data to a secure location so that records can be recreated which are current at least to the prior month-end and any daily activity immediately preceding the occurrence of such event. Safeguards should include contingency sites for key operational sites, restricted access and authentication for data centers, backup power and telecommunication options that can be immediately deployed;

96. Provide an established and proven plan for business continuation in emergency situations. The custodian shall recreate records and resume operations necessary for the daily investment activities of the WSIB, 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 the custodian's systems. The custodian shall periodically test its business continuation plan and operating procedures. Every twelve months, the custodian shall provide assurances that testing confirmed their abilities to operate as indicated in the custodian's business continuation plan;
97. Retain computer records of all audited investment transactions and month-end positions on electronically readable storage media for the duration of the contract in compliance with the provisions of Chapter 40.14 RCW. The custodian shall assure that records maintained on electronically readable storage media are checked for viability on an annual basis and migrated, if necessary, to more current technology in order to maintain accessibility during the entire retention period. Upon contract termination, the custodian shall translate the information to a flat file, or other format mutually determined, for retention by the WSIB;
98. Provide business critical reports by alternate means (e.g. facsimile transmission or e-mail) upon request, or store business critical reports for future transmission when normal business processes have been restored; and,
99. Provide the means to connect to the custodian's systems via an alternate route to be used in the event that the Internet or other connection normally used is not functional or the WSIB has experienced a circumstance that requires using the WSIB's offsite backup location. Ability to provide testing of these systems.

2.3.10 Middle Office Trade Settlement

100. Manage the trade lifecycle post-execution through notification and settlement.
 - a. Real-time receipt of allocated compliant trade instructions from WSIB via Bloomberg AIM.
 - b. TIMS message acknowledgement sent back to client confirming that the transaction has passed initial rules and validation.
101. Match and confirm trade details with brokers.
 - a. Transaction confirmation counterparties at the block and allocation level either electronically or manually, within tolerances defined by WSIB for Equity, Fixed Income, and Foreign Exchange transactions.
102. Communicate trade details and instructions to custody for settlement. Facilitate resolution of issues related to trade settlement.

2.3.11 Statutory Accounting Requirements – Labor & Industry Funds

103. For Labor and Industry Funds only: Provide required GAAP based accounting and reporting in compliance with standards issued by the Governmental Accounting Standards Board (GASB) AND statutory accounting and reporting in compliance Statements of Statutory Accounting Principles (SSAP) issued by the National Association of Insurance Commissioners (NAIC). Please note this will require two separate sets of accounting records for these fund types. In addition, the custodian shall price securities for SSAP accounting purposes utilizing the NAIC Securities Valuation Office fair values. When NAIC fair value measurements are not available, the source of the valuation methodology must be disclosed. The NAIC fair value measurement shall be different than the source used for the GAAP basis financial information. The custodian shall have adequate staff and systems available to meet SSAP requirements and all related reporting to include, but not limited to:
 - a. SSAP No. 26R – Bonds
 - b. SSAP No. 30R – Unaffiliated Common Stocks
 - c. SSAP No. 34R – Investment Income Due and Accrued
 - d. SSAP No. 43R – Loan Backed and Structured Securities
 - e. SSAP No. 91R – Accounting for transfers and servicing of financial assets and extinguishment of liabilities
 - f. SSAP 100R – Fair Value

- g. SSAP 103R – Transferring and servicing of financial assets and extinguishment of liabilities
- h. SSAP 97 – Investments in Subsidiaries, Controlled, and Affiliated Entities (Real Estate Investments)
- i. All other SSAP requirements both current and future as deemed applicable by the WSIB.

2.4 COMPLIANCE MONITORING AND REPORTING

- 104. The Contractor shall provide the WSIB with an investment compliance reporting service that will identify and provide notification of investment trades that are outside established policies, tolerances and parameters based on available holdings and transaction data.
- 105. The Contractor shall provide investment compliance reporting based on tests derived from the WSIB’s investment management guidelines, policies, and in consultation with Staff.
- 106. The Contractor’s compliance monitoring and reporting service shall encompass the following:
 - a. Provision for formal investment management guideline and policy review and gap analysis for each specified guideline and/or policy requirement;
 - b. Formal confirmation, by the WSIB, of proper interpretation of the tests and results;
 - c. Creation of the initial set of tests and reports to meet the WSIB’s requirements;
 - d. Ongoing assistance in creating new and/or modifying existing tests and reports;
 - e. Performance of compliance monitoring daily, and monthly for all individual funds/subaccounts and the total fund as a whole, as requested by the WSIB;
 - f. Ability to capture the reason why exceptions occurred, the detailed data of the exception and the ability to retain history of compliance monitoring results and make available electronically through a secure internet based system for one year;
 - g. Compliance monitoring reports delivered to the WSIB via email in a PDF file format and electronically through a secure internet-based system;
 - h. The performance of an annual comparison of all coded investment guidelines within the compliance monitoring system to the most recent investment guidelines; and
 - i. Track changes or updates to rules to document the date of change and user authorizing the change.
- 107. Compliance reports shall include a summary for each system portfolio or group of portfolios specified by the WSIB. Reports shall display the status of each test; a pass, an alert or a warning, the reason for the alert, and the detailed data of the alert. Reports shall be based on post-trade date, pre-settlement date holdings previously reported to custodian bank.
- 108. The Contractor shall provide an online compliance monitoring and reporting application, providing the WSIB with on-line access to alert and warning notifications, alert histories, rule matrices, resolution documentation, and a set of core compliance reports. The application should have the capability to filter and download the data to PDF or Excel.
- 109. The application shall incorporate compliance fail management capabilities. Those will include the ability to assign severities, breaches and approvals for each alert. Staff or assigned custodian bank employees shall be able to view the test breaches, assign breaches to individuals for follow-up, and record commentary or research results on-line.
- 110. The Contractor shall have the ability to identify and resolve repeat compliance alerts that continue to occur, and to stop alerts from reappearing in reports if the WSIB has deemed the transaction or holding acceptable.

2.5 CLASS ACTION FILING

- 111. Receive class action notifications and ascertain the WSIB’s eligibility for participation in class actions based on transactions and holdings data in the Contractor’s records.
- 112. The Contractor is expected to incorporate data from the previous custodian(s) for class actions that span time periods prior to the Contractor becoming the custodian.

113. File as appropriate on behalf of the WSIB to participate in class action litigation and settlements or other monetary recovery.
114. Respond to class actions administrators on questions regarding the class actions submissions.
115. Contractor may also be required to feed data to any WSIB litigation monitoring provider(s).

2.6 SECURITIES LENDING REQUIREMENTS

116. Provide securities lending services for eligible global securities on either a principal or agency basis.
117. Establish a list of eligible borrowers and a maximum amount that may be borrowed by each borrower subject to review and approval by WSIB staff. Conduct ongoing reviews of borrowers' qualifications and the balance on loan relative to borrowers' lending limits.
118. Require that all loans of securities be collateralized by either cash or securities,
 - a. Domestic securities must be collateralized at no less than one hundred and two percent (102%) of market value, plus accrued interest, at all times.
 - b. International securities must be collateralized at no less than one hundred and five percent (105%) of market value, plus accrued interest, at all times. All international loans and proceeds will be negotiated and settled in U.S. dollars.
119. Reinvestment of cash collateral and securities received as collateral will be restricted to only those securities authorized by the WSIB investment policy for each account type. Maintain a separate collateral pool for the WSIB lending program apart from other client's lending programs.
120. Provide next day liquidity at the option of the WSIB for any securities on loan.
121. Collateralize and mark-to-market all loaned securities on a daily basis. Loans with insufficient collateral must be adjusted within 24 hours and prior to the securities being re-loaned to the same borrowers (see 3. above);
122. Make available a daily report of collateral, identifying daily collateral required and pledged, and a monthly report on securities lending activity and outstanding loans, including amounts by borrowers.
123. Provide monthly detailed accounting reports of all collateral activity and positions, lending transactions, securities on loan, gross income, rebates, and bank fees.
124. Provide annual information required by Generally Accepted Accounting Principles for disclosure in WSIB's annual financial statements for cash collateral, non-cash collateral, and securities on loan.
125. Collect all interest, dividend, or other distributions with respect to any loaned securities.
126. Must have the capability, upon written request by the WSIB, to preserve the WSIB's voting rights for proxies by returning all WSIB identified loaned securities to the WSIB prior to the record date of the security.
127. Provide indemnification against borrower default. Provide sufficient net equity to provide the required indemnification to the WSIB and to process all security transactions without impairment to the WSIB's operations and investment programs.
128. Assume responsibility for any and all overdraft expenses, lost interest and other costs in the event of a simple default, which results from the late delivery of securities that have been sold by the WSIB or its agents.
129. Should the WSIB decide to change a commingled equity investment accounts to a separately managed account with the assets of that account upon such change thereafter custodied with the selected custodian, the WSIB reserves the right to continue to have the former commingled account manager lend the assets in the resulting separate account. In the event such a change is made, it is anticipated that the separate account manager would work with the selected custodian to absorb operational costs to the custodian, if any, which might arise in this scenario. Specific accounts available for custodian and third-party lending will be available in Exhibit "K."
130. Support a third-party lending program. A track record of seamless support of third-party lending is important to the WSIB's decision on the custodial selection. The offeror should be able to:
 - a. Support and provide servicing for third-party securities lending within the overall custodial operational relationship whether the WSIB decides to allow limited third-party securities lending; and

- b. Abide by third-party lending operational agreements and terms should they be required to be enacted.

2.7 ORGANIZATION RESOURCE AND STAFFING

- 131. At WSIB's discretion, dedicated client service team must be available during regular hours of operation. The team must be knowledgeable in the custody and accounting practices of all assets. They must be well versed in proposer's technological systems and provide expert advice on day-to-day activities.
- 132. Contractor shall make appropriate personnel available to meet with WSIB at dates and times determined by WSIB.
- 133. Contractor shall provide and maintain personnel that exhibit responsiveness, flexibility, knowledge, proactivity and problem resolution skills which will include the following requirements:
 - a. Provide an experienced client service team commensurate with the complexity of the WSIB portfolio including detailed knowledge of WSIB requirements and procedures and industry practices
 - b. Provide a relationship management protocol which provides for the appropriate escalation of issues and special projects within the context of the overall relationship
 - c. Provide and support service level agreement(s).
- 134. To the extent the custodian conducts client conferences, the custodian will invite WSIB Board members and relevant WSIB staff to participate in the custodian's client conferences and any and all other client conferences or similar educational activities provided by the custodian and normally offered to custodian's clients. Any invitations to the WSIB Board members and relevant WSIB staff given by the custodian to participate in the custodian's client conferences and any and all other client conferences or educational activities normally offered to custodian's clients shall be considered part of services rendered by the custodian under this Contract, and all costs normally paid or reimbursed by the custodian, such as registration fees, materials, 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 the custodian are initially borne by the WSIB, the custodian shall reimburse the WSIB for such client conferences and educational activity costs.

2.8 TRANSITION PLANNING AND SUPPORT

- 135. Takeover Planning (if applicable):
 - a. All non-incumbent Offerors must prepare a detailed Takeover Plan for the one-time services required to prepare to assume all responsibilities itemized within this Scope of Work.
 - b. Contractor and WSIB will work closely together to validate the Contractor's approach to implementing and delivering the services required.
 - c. All non-incumbent Offerors must prepare a transition plan that includes:
 - 1. Timing of transition phases
 - 2. Staffing levels (including those of WSIB)
 - 3. Resource commitments (including those of WSIB)
 - d. Detailed transference of all historical data from current custodian (State Street Bank and Trust Company).
 - e. The conversion process shall be compensated according to your fee estimate provided for transition services and will cover a one-year period July 1, 2023, to June 30, 2024. The plan must include, at a minimum, 3 months of daily practice processing with WSIB and full live operations on July 1, 2024.
- 136. Turnover Planning:
 - a. Turnover specifies the services required to successfully transition the Contractor's services, in part or in whole, to a successor Contractor. Turnover may occur multiple times over the life of the Contract if WSIB decides to de-scope all or any part of the services. Turnover may also occur as a single event, whereby the Contractor shall transition the entirety of the services at one time.

2.9 ADDITIONAL CUSTODIAL SERVICES

137. The custodian shall provide additional custodial services as may be required.

SECTION 3: OFFEROR QUALIFICATIONS

3.1 MANDATORY MINIMUM QUALIFICATIONS

Unless otherwise specified, as of the final date for proposal submission, the offeror must meet all of the following mandatory minimum qualifications as outlined below in order to be considered:

1. Must accept the form of the written contract templates (Exhibit I Sample Contract – Global Custodial Services and Exhibit J – Sample Contract – Securities Lending Services) as supplied by the WSIB. The offeror must have the approval of their legal representative to the contract template set forth as Exhibits “I” and “J” prior to submittal of a proposal or provide a WORD document with markups of any changes that will be required. Offeror should understand the ability to agree to a contract will be considered as part of the evaluation process and should plan accordingly.
2. Must agree to provide the core custody requirements as detailed in the “Statement of Work”, as well as all other requirements as stated in the Request for Proposals (RFP).
3. Must have provided custody services for clients for at least ten (10) years.
4. Must currently be providing custodial services for at least five (5) U.S.-based institutional clients, each with U.S. and Non-U.S. marketable security trust assets having a market value in excess of U.S. \$50 billion, for a minimum of five (5) years.
5. Must currently be providing and have done so a minimum of five (5) years, at least \$1 trillion in master trust and custody assets for which it’s providing custody services. These assets must include domestic and international equity and fixed income assets.
6. Must have an automated accounting system that provides the WSIB access to both U.S. and Non-U.S. securities accounts within a uniform framework of accounting treatment, reporting and performance measurement.
 - a. Must be members of and have the ability to clear transactions or cash through, all major global book entry or electronic securities depositories, and the Federal Reserve.
 - b. Must have the ability to clear derivatives through major derivatives clearing houses.
 - c. Must utilize the SWIFT messaging network as the primary data transmission communications and have the ability to feed daily SWIFT standard messaging for trade clearing, settlement, income transactions, custody, and asset management.
7. Must be a U.S. domiciled trust company and a member of the Federal Reserve, or a U.S. subsidiary of a foreign bank subject to the jurisdiction of U.S. courts and have substantial unimpaired equity capital.
8. The Account Administrator proposed for this RFP (the individual primarily assigned to the WSIB account and in charge of the day-to-day contact) must have a minimum of five (5) years’ experience (three years at the proposing firm) in custody services for similar size clients.
9. Must comply with generally accepted accounting practices (GAAP) as well as governmental accounting standards (GASB) practices for core accounting services. In addition, must provide a separate, statutory accounting and reporting platform utilizing Statements of Statutory Accounting Principles (SSAP) issued by the National Association of Insurance Commissioners (NAIC). Must have offices or sub custodian bank relationships in most foreign markets and must be qualified to conduct investment transactions.
10. Must be a National Association of Securities Dealers member securities firm, a primary reporting dealer, or an FDIC insured bank.
11. Must have at least \$100 billion in a securities lending lendable base on an agency basis as of December 31, 2022.
12. Must have an average daily balance of securities loaned of more than \$10 billion during the past year, including a mix of fixed income and global equities.
13. Must have at least five (5) public fund clients with lendable assets of \$15 billion or more, at least one of which must be a fund of at least \$50 billion.
14. As of December 31, 2022, must have provided securities lending services for a minimum of ten (10) years.



15. As securities lending provider, must provide 100% indemnification for borrowers.
16. The key professionals and/or the organization must not have, nor could they potentially have, a material conflict of interest with the WSIB.

SECTION 4: GENERAL INFORMATION

4.1 DEFINITIONS

- **“Apparently Successful Offeror”** shall mean the Offerors selected by the Washington State Investment Board (WSIB) as entities qualified to perform the anticipated services.
- **“Contractor”** shall mean a firm awarded a contract through this RFP.
- **“Chief Executive Officer”** also referred to as “Executive Director” means that individual described in RCW 43.33A.100 who has been delegated the authority to lead and manage all investments, operations and administrative functions of the WSIB.
- **“Offeror”** shall mean an entity intending to submit or submitting a response for the project.
- **“OST”** shall mean the Office of the State Treasurer, a Constitutional Officer established by Article III, Section 19 of the Washington State Constitution and whose principal duties and responsibilities are enumerated in Chapter 43.08 RCW.
- **“Proposal”** shall mean all information submitted in response to this procurement, to include, questions, references, and requested additional information to ensure required screening and evaluation is conducted.
- **“RFP”** shall mean this Request for Proposal, any addendum or erratum thereto, Offerors’ written questions and the respective answers, and any related correspondence that is: (1) addressed to all Offerors and (2) signed by the Executive Director, her designee, or the RFP Coordinator.
- **“State”** shall mean the WSIB and the OST.
- **“WSIB”** shall mean the state of Washington, State Investment Board, consisting of the Board described in RCW 43.33A.020 and staff authorized by RCW 43.33A.100. It may also be referred to as Board or agency in this RFP.

4.2 COMPENSATION AND PAYMENT

The fee schedule for the duration of this contract shall be fixed by negotiation from the fees set forth in the offeror’s proposal. Once the custodian bank is selected, the fees may be negotiated further depending on the variance from the other offerors’ fee quotations. In no event shall the fees exceed those set forth in the offeror’s proposal. The offeror’s fee must be guaranteed for the entire possible duration of the initial period of this contract (i.e., 5 years).

4.3 EXPECTED TIME PERIOD FOR CONTRACT

Should the current custodial bank be selected, it is expected that the custody bank and securities lending contracts will be effective no later than July 1, 2024. Should a new custodial bank be selected, the custody bank contract commencement date for conversion planning and parallel processing will be July 1, 2023, through June 30, 2024, with commencement of full services on July 1, 2024 (including securities lending services). The State anticipates the initial contract period for both contracts will begin on July 1, 2024 and will be for five years. The State anticipates the total contract period will be for ten years but reserves the right to reasonably extend the total contract period during the RFP process as it negotiates with the offerors.

SECTION 5: INSTRUCTIONS FOR COMPLETING AND SUBMITTING PROPOSALS

5.1 BOARD CONTACT

The RFP Coordinator is the sole point of contact for this procurement action.

Throughout the duration of the procurement process, all communications are to be directed, in writing, to the contact listed below.

WASHINGTON STATE INVESTMENT BOARD
2100 EVERGREEN PARK SW, P.O. BOX 40916
OLYMPIA, WA 98504 0916
ATTN.: FARRELL PRESNELL, RFP COORDINATOR
TELEPHONE: (360) 956-4715
E-MAIL: contracts@sib.wa.gov

NOTE: Contact with other WSIB staff or Board members not previously authorized by the RFP Coordinator regarding this procurement after issuance of this RFP may disqualify the Offeror.

5.2 INTENT TO RESPOND TO QUESTIONS

“Letters of Intent to Respond” in the format of Exhibit “A” attached hereto and any questions regarding this RFP must be in writing, set forth on the Offeror’s letterhead and should be received at the WSIB by **4:30 p.m. Pacific Time, January 30, 2023**. E-mail and facsimile transmissions are allowed as long as an authorized signature is affixed to the document. The “Letters of Intent to Respond” will be used to gauge how many responses the WSIB will be expecting in order to plan schedules. Each Offeror is encouraged to submit any questions about the RFP they may have by the “Letters of Intent to Respond” submittal date and time. No questions will be answered after the proposal due date unless the WSIB needs clarification on an issue pertaining to a proposal. If a potential Offeror does not elect to submit a “Letter of Intent to Respond” and questions the Offeror may still submit a proposal.

All questions received by the above due date will be responded to in writing and posted to the WSIB website at www.sib.wa.gov for retrieval and review. Offerors are encouraged to check the website frequently for this posting. It is incumbent on Offerors to obtain this information once posted to ensure their proposal is responsive.

5.3 NON-DISCLOSURE AGREEMENT

The WSIB will require Offerors to complete a Non-disclosure Agreement (NDA) prior to receiving access to Exhibit K-N as referenced in the Table of Contents. Offerors that submit a “Letter of Intent to Respond” will receive an NDA from the WSIB. Upon execution of the NDA the WSIB will provide access to the Exhibits.

5.4 SCHEDULE OF PROCUREMENT ACTIVITIES

The following schedule of activities must be adhered to by all offerors.

EVENT	DATE
ADVERTISE RFP	JANUARY 17, 2023
LETTERS OF INTENT AND QUESTIONS DUE	JANUARY 30, 2023
RESPONSES TO WRITTEN QUESTIONS POSTED TO THE WSIB WEBSITE	ON OR ABOUT FEBRUARY 6, 2023
PROPOSAL DUE	MARCH 3, 2023
EVALUATION TEAM SCORE AND DETERMINE FINALISTS	MARCH 3, 2023 – MARCH 31, 2023
NOTIFICATION OF FINALISTS BY THE WSIB	MARCH 31, 2023
CONTRACT NEGOTIATIONS WITH FINALISTS	MARCH 31, 2023 – MAY 5, 2023
FINALIST ON-SITE VISITS; FURTHER DUE DILIGENCE	APRIL 3, 2023 – MAY 5, 2023
SECURITIES LENDING FINALISTS PRESENTATIONS TO PUBLIC MARKETS COMMITTEE (IF REQUIRED)	JUNE 6, 2023
APPARENTLY SUCCESSFUL OFFEROR(S) PRESENTED	JUNE 15, 2023
ANNOUNCEMENT OF APPARENTLY SUCCESSFUL OFFEROR	JUNE 16, 2023
CONTRACT BEGINS	JULY 1, 2023
ONBOARDING/CONVERSION PLANNING/PARALLEL PROCESSING (IF APPLICABLE)	JULY 1, 2023 – JUNE 30, 2024
NEW CUSTODIAN EFFECTIVE DATE (IF APPLICABLE); CONVERSION COMPLETE	JULY 1, 2024

5.5 PROCUREMENT MODIFICATION

The WSIB reserves the right to change the Schedule or modify any part of the procurement process, prior to the date fixed for submission of the proposals, by issuance of an addendum to all participating Offerors. The WSIB also reserves the right to cancel or reissue the procurement in whole or in part, and for any reason, at the sole discretion of the WSIB at any time prior to execution of a contract. In the event it becomes necessary to revise any part of the procurement, addenda will be posted on the WSIB Web site. Offerors are advised to check the site regularly prior to the due dates.

5.6 PROCUREMENT INSTRUCTIONS

5.6.1 Submitting Proposals

Please send an electronic copy of your Response to contracts@sib.wa.gov. The Response should be clearly labeled with the firm’s name and “RFP 23-02 Global Custodian and Securities Lending Services.” Please include the full version of the complete Response marked as “Master Copy.” The Response should be in Adobe Portable Document format (.pdf) with an available text layer (i.e., not flattened into an image). Please do not submit Responses as an Adobe portfolio or in any locked format.

The completed electronic version of your RFP Response must be delivered by 4:30 p.m. PDT on March 3, 2023. Earlier Responses are welcome, and any Response delivered after the deadline will not be considered.

If your Response contains information you consider confidential and proprietary, please mark it such and include a second electronic version of your Response labelled “Copy for Reproduction” with the confidential portions redacted or omitted. Delete only sections of “confidential” information, not the entire page, unless the entire page can be defended as confidential. This electronic version will be used as the basis of a response to any Public Records Requests made for a copy of your Response. Where sections of confidential information have been deleted in this electronic version, insert this parenthetical text: “(CONFIDENTIAL INFORMATION REMOVED)” in at least 24-point bold-faced type. Please secure this electronic version of the “Copy for Reproduction” in a manner that will still allow the WSIB to copy the protected electronic file onto its servers, but will not allow editing of the information, nor allow access to redacted materials or information. In addition to the “Copy for Reproduction,” please identify those portions that are claimed as confidential in a response Summary Letter pursuant to sections 5-6. Those Responses not marked “Confidential” are subject to full disclosure under the Washington State Public Records laws, as will be any Responses marked “Confidential” in their entirety. For more complete information on the treatment of public records and confidential information, please see Section 5.7.

The WSIB reserves the right to retain all Responses and accompanying documentation submitted and to use any ideas contained in Responses regardless of whether that Response is selected. Responses retained shall become the property of the WSIB and will not be returned. Submission of a Response constitutes acceptance of all conditions contained in this RFP, unless clearly and specifically noted in the Response submitted and confirmed and expressly accepted in the subsequent contract between the firm and WSIB.

5.6.2 Information and Format Requirements

All of the conditions set forth in this section must be included and addressed thoroughly and completely by the Offeror before the WSIB will accept a Response to this RFP.

When responding to this RFP, we encourage you to describe the ways in which you believe your organization’s service is unique or would add particular value to the WSIB. Please be succinct in your answers and, if certain services cannot be provided, please so state when appropriate. Responses must include answers to all questions, comply with all requests for information to permit evaluation, and should include bookmarks and section titles separating the following parts:

SECTION 1: Summary Letter

Please set forth a stand-alone summary letter of the contents of the Offeror’s proposal including all the subsection topics set forth therein. Please identify the portions of your response you are claiming as confidential. Take particular care in its preparation, for if your firm is selected as a finalist, this document may be used as a guide by the panel conducting oral interviews, if needed. DO NOT structure it in the format of a reference to sections of your firm’s overall proposal.

SECTION 2: General Information

Complete and include the General Information and Contact Sheet attached as part of Exhibit “B” by providing the following information:

- Name, mailing address, phone number, and fax number of legal entity with whom the contract is to be written.
- Name, mailing address, phone number, fax number, and e-mail address of primary contact.
- Name, mailing address, and phone number(s) of principal officer(s).
- Legal status of organization (e.g., sole proprietorship, partnership, corporation, etc.).
- Federal employer identification number.
- Washington State Department of Revenue Registration Number (UBI number) if applicable.
- The location of the facilities from which the Offeror will provide services under any Contract.

SECTION 3: Minimum Qualifications Certificate

Utilizing the format of Exhibit “C” and with supplemental pages as needed, please set forth a full explanation of how each mandatory minimum qualification is met by your firm. A mere conclusory assertion that a mandatory qualification is met is insufficient.

SECTION 4: Offeror Warranties

The Certifications and Assurances form, Exhibit “D” must be signed by the president or chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or all members of a joint venture, and included in the Offeror’s proposal.

SECTION 5: Questionnaire

Offerors should complete and include the Questionnaire attached as part of Exhibit “E” with all appendices. The RFP and exhibits are available at the WSIB website www.sib.wa.gov and should be downloaded for preparation of your response. Offerors are encouraged, but not required, to use the forms provided as exhibits to the RFP. Please note that additional sheets will be necessary to adequately respond to the Questionnaire, Exhibit “E”. In those instances when the form provided is not used for your Response, type and number each question. If other exhibit forms attached hereto are not utilized for responding, it is nevertheless mandatory that the same format be retained when drafting your proposed approach to accomplishing the services to be provided in Section 2: Statement of Work in this RFP.

SECTION 6: References

Please provide a listing of relevant references for institutional fund clients utilizing Exhibit “H”, with two being public pension funds most similar in scope and purpose as that sought by the WSIB. Include a description of work performed, company name and address, contact person, phone number and duration of project. A minimum of five (5) references should be provided. Please also provide one reference that terminated your services recently.

SECTION 7: Proof of Insurance

Once selected for a contract, an Apparently Successful Offeror must, at its own expense, obtain insurance coverage which shall be maintained in full force and effect during the term of the Contract. The Apparently Successful Offeror shall furnish evidence in the form of a Certificate of Insurance, and a copy shall be forwarded to the Agency within fifteen (15) days of the notification as the Apparently Successful Offeror for the following applicable insurance:

- Professional liability insurance
- Fidelity Bond
- Comprehensive Crime Coverage
- Privacy and Cyber Liability

A contract with the successful Offeror will not be executed until verification of insurance coverage as set forth in the template contracts have been verified.

SECTION 8: Supplemental Information

Each Offeror may present any supplemental information which the Offeror deems appropriate as long as each copy of the proposal contains such supplemental information. The Offeror may also provide supporting documentation, as necessary, for evaluators to determine relevance and value.

SECTION 9: Fee Proposal

The compensation for providing services and advice under this RFP shall be subject to negotiation based on the Offeror's proposal. Other expenses shall be affixed to the proposed fees accordingly.

The fee proposed must provide the information, and be completed in the format, set forth in Exhibit "F" and Exhibit "G", attached hereto. The services detailed in the "Services to be Provided" section and the questionnaire of this RFP is the basis for the proposed fee. The fee for work performed shall be based upon the proposed fee. Front loading of fees is not permitted. In no case will fees for the contract be higher than the fee contained in the proposal.

5.7 PROPRIETARY INFORMATION

All material submitted in response to this competitive procurement shall become the property of the WSIB. Such material is subject to Public Records requests pursuant to Washington's Public Records Act (PRA), found in Chapter 42.56 RCW, as well as pursuant to rules promulgated by the WSIB, in Chapter 287-02 Washington Administrative Code (WAC) and cases decided by Washington courts. The WSIB's Public Records policy may be viewed at: https://www.sib.wa.gov/docs/policies/2_00_250.pdf

All submissions will be treated as confidential and exempt from disclosure until the successful Offeror(s) resulting from this RFP, if any, is announced by the WSIB. Thereafter, submissions are subject to disclosure, unless material has been properly designated as confidential and such material is exempt from disclosure under Washington laws.

The materials submitted by the Apparently Successful Offeror will be attached to the resulting contract and incorporated therein by that attachment. In general, unless particular material has been properly designated as confidential and exempt from disclosure under Washington laws, such materials will be deemed public records and subject to public records requests.

In the event that an Offeror seeks to designate portions of their proposal as exempt from disclosure under the provisions of Washington's laws, as noted, it is incumbent upon that Offeror to clearly identify those portions which are claimed as confidential in a proposal Summary Letter. The Summary Letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. The generally available exemptions from disclosure are noted in the WSIB's public records policy, which may be accessed at the WSIB's web pages at the address noted above. In addition, each page claimed to be exempt must be specifically and clearly identified by the word "CONFIDENTIAL" printed on the lower right-hand corner of the page. **Designating the entire proposal as confidential or proprietary information is not acceptable and will not be honored and may subject the Offeror's proposal to being rejected for not being responsive.**

WSIB will consider all requests for exemption from disclosure; however the agency will make a decision predicated upon RCW 42.56.040 -.570 and current WSIB Public Records Policy. In so doing, WSIB will exercise good faith in responding to requests for disclosure of public records, will not discriminate between persons requesting records, and will protect legitimate and legally defensible confidentiality interests.

If any of the specifically requested information is marked as "confidential" in the proposal but in the opinion of the WSIB does not conform to any one of the enumerated exemptions from disclosure in Chapter 42.56 RCW, such information will not be made available until three (3) business days after the affected Offeror has been notified that the information has been requested, to permit the Offeror an opportunity to contest the release of records sought in the Public Records request by seeking an injunction (court order).

Should an Offeror obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its proposal prior to the execution of the contract incorporating the same, the WSIB will comply with the court

order. The burden is upon an Offeror to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

If the affected Offeror has undertaken proceedings within the timeframe to obtain a court order restraining the WSIB from disclosure of the “confidential” information within those three (3) days, the WSIB will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period and providing proper notice thereof, the information will be disclosed.

It should be noted, however, that time is of the essence in this solicitation process. Although the WSIB will work in good faith to accommodate legal proceedings concerning confidential information, a delay in execution of the contract to accommodate a petition to the courts might not be possible or might not be granted.

5.8 RECORDS RETENTION

After the date of the announcement of the Apparently Successful Offeror, the WSIB will retain all products of information received under this procurement in accordance with Washington State record retention laws.

5.9 PREPARATION AND TRAVEL COSTS

Expenses for the development and submission of required information are the sole responsibility of the Offeror(s). The WSIB will not be liable for any costs associated with preparation and submission of information submitted in response to this procurement.

The Offeror assumes responsibility for their personnel’s travel and associated costs as they relate to this procurement. These costs must be considered in the cost of the fees that will be proposed.

5.10 PROPOSAL EVALUATION

5.10.1 Evaluation Process

The review of the firms submitting proposals will be based upon the completeness of the response, the appropriateness of the candidate’s qualifications to meet the WSIB’s global custodian service needs, reputation, cost of services, quality of previous performance, and any subsequently requested materials. Proposals will be reviewed by an evaluation team for the purpose of selecting finalist(s). On-site visits of finalist custodial candidates as well as references from current custodial clients will be utilized in selecting the winning proposal.

The WSIB reserves the right, at its sole discretion, to reject, without penalty, any and all proposals received. The final selection, if any, will be the Offeror, which, in the opinion of the WSIB, best meets the requirements set forth in the RFP and is in the best interest of the OST, the WSIB, and Washington State.

The selection will be accomplished through the following process:

1. Initially, the evaluation team will review each proposal for compliance with minimum RFP mandatory requirements for responsiveness. Non-responsive proposals will be rejected from further consideration. The WSIB will make the final determination on all proposal rejections.
2. Those RFP Proposals meeting the mandatory minimum qualifications will then be evaluated by the evaluation team against the items shown in the “Evaluation Criteria” section, assigning a numeric score for each of the criteria. The evaluators through this process will identify the most responsive offers to the requirements stated in this RFP using the evaluation criteria and weights as described in the “Evaluation Criteria” section. The resulting scores will establish the evaluation ranking determining those finalists for on-site visits.

3. The evaluation team will conduct on-site visits with the finalist firm(s) and conduct reference checks of firm clients, which clients will be selected solely at the discretion of the State. The on-site visits with the finalists, the review of the finalist clients, the evaluation of the reasonableness of fees in relationship to the services provided and industry standard, and the resultant evaluation process will be the sole basis for selecting the apparently successful offeror for the custodian contract.
4. The recommendation of the evaluation team for the securities lending contract will be presented to the WSIB’s Public Markets Committee and thereafter to the Board for approval.
5. The recommendation of the evaluation team for the contract for global custodial services must be approved by the Board and the OST. The Board is required by its policy to make a recommendation to the OST.
6. WSIB seeks to retain the highest quality organization to provide global custodian, accounting, reporting, and securities lending services in an open, fair, and competitive process. Through the selection process, the State reserves its sole discretion in awarding the contracts. The State reserves the right at their sole discretion: (i) not to select any proposal and to reject, without penalty, any and all proposals received; (ii) to select any portions of a particular proposal for further consideration; (iii) to accept a proposal other than the lowest cost proposal submitted; (iv) to accept a proposal other than the highest scoring or ranking proposal submitted; or (v) to reject any and all proposals received if such action is considered by the State in its sole discretion to be in the best interests of WSIB.

5.10.2 Evaluation Criteria (Written Proposals)

The following criteria and relative values will be used by the evaluation committee to evaluate each written proposal for the selection of finalists:

Global Custodian Technical Proposal	
Criteria	Points
Organizational Background/Risk Management/Client Service	20
Accounting/Custody/Middle Office & Trade Settlement/Cash Management	30
Performance & Analytics	15
Investment Data/Technology	20
Compliance	5
Transition & Cost Effectiveness	10
Total Points	100

Securities Lending Technical Proposal	
Criteria	Points
Performance	25
Borrowers selection process and credit analysis	25
Institutional lending capabilities across asset classes and geographic distribution	25
Organization and Experience	10
Conversion	5
Third-Party Lending	10
Total	100

Securities Lending Finalist Evaluation	
Criteria	Points
Telephone/Video/In-person Interviews (if required)	50
Income split percentages/earnings and questions	50
Total Points	100

5.11 ADDENDA TO THE RFP

In the event that it becomes necessary to revise any part of this RFP, an addendum or erratum will be provided to all offerors who have indicated an intention to submit a proposal.

5.12 SUBMISSION LIMIT

After submission, offerors will not be allowed to amend the proposal unless specifically asked to by the RFP Coordinator or his designee.

SECTION 6: WSIB RIGHTS

6.1 INFORMATION CLARIFICATION/REJECTIONS

Determination of clarity and completeness in the information requested under this procurement will be made solely by the WSIB. The WSIB reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this procurement.

6.2 CONTRACT AWARD

The State intends to award a contract to the Offeror(s) with the best combination of attributes based on the evaluation criteria listed in Section 5-9.2 of this procurement.

The State reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms which the Offeror can propose.

The Offeror should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiations may incorporate some or the Offeror's entire proposal. It is understood that the proposal will become a part of the official procurement file on this matter without obligation to the WSIB.

Should the State fail to negotiate a contract with the Apparently Successful Offeror(s), the State reserves the right to negotiate and contract with the next most qualified Offeror(s). The State also reserves the right to contract with more than one Offeror.

6.3 PUBLICITY

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the Apparently Successful Offeror(s) without obtaining prior written approval from the State.

6.4 WAIVERS

The WSIB reserves the right to waive specific terms and conditions contained in this Procurement.

It shall be understood by Offerors that the information provided is predicated upon acceptance of all terms and conditions contained in this procurement unless the Offeror has obtained such a waiver, in writing, from the WSIB prior to submission of any requested information.

Any waiver, if granted, will be granted to all Offerors.

SECTION 7: MISCELLANEOUS TERMS AND CONDITIONS

7.1 SUCCESSFUL OFFEROR NOTIFICATION

On or about the date specified in Section 5.3, “Schedule of Procurement Activities,” of this procurement, an email indicating whether the Offeror was selected as “the Apparently Successful Offeror will be sent to each finalist who submitted a proposal in accordance with the procedures specified in this procurement.

7.2 RIGHT TO PROTEST, DETERMINATION OF TIMELINESS, AND PROTEST PROCEDURES

Any actual Offeror who is aggrieved in connection with the procurement solicitation or award of a contract may protest, in writing, to the Contracts Office and the Chief Financial Officer of the WSIB. Only protests identifying an issue of fact concerning a matter of bias, discrimination or conflict of interest, errors in tabulation, or non-compliance with procedures described in the procurement document or agency policy shall be considered.

Offerors protesting this procurement solicitation or award shall follow the procedures described herein. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Offerors under this procurement.

Upon exhaustion of this remedy no additional recourse is available within the WSIB. Chapter 34.05 RCW, Administrative Procedures Act (APA) does not apply to this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. Telegrams or similar transmittals will not be considered. The protest must state all facts and arguments on which the protesting party is relying. All protests shall be addressed to the WSIB, Contracts Office.

7.2.1 Contents of Protest

To expedite handling of protests, the envelope should be labeled “Protest.” The written protest shall include, at a minimum, the following:

1. the name and address of the protester;
2. the appropriate identification of the procurement, including contract number if a contract has been awarded;
3. a statement of reason(s) for the protest; and,
4. any supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time, in which case a descriptive title of the document and its expected availability date shall be indicated.

If a protest may affect the interest of any Offeror(s), such Offeror(s) will be given an opportunity to submit its view and any relevant information on the protest to the Contracts Office.

7.2.2 Types of Protest

1. Protests against the procurement solicitation documents or processes must be received by the WSIB Contracts Office no later than 3:00 p.m., Pacific Time five business days prior to the date Proposals are due. Filing of a protest against the solicitation does not entitle the protesting party to an extension of time for submitting its Proposal.
2. If the protest is for rejection of Offerors’ submitted Proposal, the protest must be received by the WSIB Contracts Office no later than 3:00 p.m., Pacific Time on the fifth business day following Offeror’s receipt of the notice of rejection, whether oral or written, or the announcement of the Apparently Successful Offeror(s), whichever occurs first. Only those who are eligible to submit a Proposal under the criteria established for the particular procurement involved may protest the rejection of submitted information.

3. If the protest is regarding the award of a contract under this procurement, the protest must be received by the WSIB Contracts Office no later than 3:00 p.m., Pacific Time on the fifth business day following the date of the notification of apparently successful Offeror. Only those who have submitted a valid Proposal under the criteria established for this particular procurement may protest the award of a contract.

Upon receipt of a protest, a protest review will be held by the WSIB's Chief Financial Officer to review the procurement process utilized. This is not a review of Proposals submitted or the evaluation scores received. The review is to ensure agency policy and procedures were followed, all requirements were met and all Offerors were treated equally and fairly.

The Chief Financial Officer will consider the record and all facts available and issue a decision within five business days of receipt of the protest unless additional time is required, in which case the protesting party will be notified by the Chief Operating Officer of the delay. The decision of the Chief Operating Officer will be final and conclusive.

7.3 DEBRIEFING OF UNSUCCESSFUL OFFERORS

Unsuccessful Offerors will be afforded a debriefing conference upon request. The request for a debriefing conference must be received by the RFP Coordinator within three (3) business days after mailing by WSIB of a notification to the unsuccessful Offerors. Discussion will be limited to a critique of the requesting Offeror's Response. Comparisons between Responses or evaluations of the other Offeror's Responses will not be allowed. Debriefing conferences may be conducted in person or by telephone/video conference and will be scheduled for a maximum of one hour. The debriefing conference must be held within thirty (30) days after mailing by the WSIB of notification to the unsuccessful Offerors.

7.4 STAY OF CONTRACT EXECUTION DURING PROTESTS

In the event of a timely protest, the WSIB may proceed further with the procurement but shall not execute the contract unless the protest is decided or until the Chief Executive Officer or a designee makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the WSIB.

7.5 ENTITLEMENT TO COSTS

In addition to any other relief, when a protest is sustained and the protesting Offeror should have been awarded the contract under the procurement but is not, then (except if the protesting Offeror is found to be substantially at fault) the protesting Offeror shall be entitled to its reasonable submission preparation costs, but not attorneys' fees or anticipated profits.

7.6 MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW, the State encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award and proposals will not be rejected nor considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

7.7 GENERAL CONTRACT TERMS AND CONDITIONS

Two contracts may result between the State and the successful Offeror from this procurement process. Exhibits I and J of this RFP contains the special and general terms and conditions that shall be agreed to.

The submission of a response constitutes acceptance by the Offeror of the special and general terms and conditions.

The State's intent is to have the sample contracts accepted as presented without material changes. It is strongly recommended that your firm's legal counsel review the attached contracts. If your firm is unwilling or unable to accept the terms of the contracts set forth, you must identify your concerns in a cover letter that is to accompany your Certifications and Assurances and must include revised markups of Exhibits I and J outlining proposed changes. However, the State reserves the right at its sole discretion to approve or disapprove proposed changes to the contracts and the State, during the RFP process, reserves the right to make additional changes to the contracts.