

**Request for Proposal (RFP)**

**RFP No. 04072016**

**Institutional Custody Services for Fixed Income Portfolios**

**PROPOSAL RELEASE DATE: April 7, 2016**

**PROPOSAL DUE DATE: April 21, 2016**

**PROPOSAL DUE TIME: 2:30 PM CST**

**SUBMIT ALL PROPOSALS TO: University of Arkansas**

**Purchasing Division**

**Administration Bldg, Rm 321**

**1125 W Maple St**

**Fayetteville, AR 72701**

**Signature Required For Response**

Respondent complies with all articles of the Standard Terms and Conditions documents as counterpart to this RFP document, and with all articles within the RFP document. If Respondent receives the University’s purchase order, Respondent agrees to furnish the items and/or services listed herein at the prices and/or under the conditions as indicated in the RFP.

|  |  |
| --- | --- |
| **Vendor Name:** |  |
| **Mailing Address:** |  |
| **City, State, Zip:** |  |
| **Telephone:** |  |
| **Email:** |  |

**Authorized Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Typed/Printed Name of Signor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**1.** **DESCRIPTION AND OVERVIEW OF RFP**

The University of Arkansas, Fayetteville (UAF) is seeking Proposals from qualified and reputable firms to establish a term contract to provide Institutional Custody Services for Fixed Income Portfolios. UAF is seeking to award Institutional Custody Services to the firm that can provide the best overall value to the University. This value will be determined by UAF based on the overall competence, compliance, format and presentation of each RFP response.

The data, specifications, and administrative requirements outlined herein are intended to serve as a general guideline for each proposal. Each firm is expected to submit a fully detailed proposal which adequately describes the advantages and benefits UAF would realize by accepting its proposal.

**2.** **SCOPE OF WORK**

**Institutional Custody Services for a Fixed Income Portfolio**

The University has an operating funds balance that fluctuates from $260 to $400 million. Of this amount, approximately $65 million is invested with the University of Arkansas Foundation with the remaining amount currently invested in local bank deposits.

The University has recently selected an investment advisor, PFM Asset Management LLC, to manage a portion of the University’s operating funds. The portfolio will be comprised of high-quality fixed-income securities consisting primarily of U.S. Treasuries, Federal Agencies, corporate notes rated ‘A’ or higher, commercial paper and negotiable CDs. A copy of the University’s Investment Policy can be found in Appendix IV as an embedded PDF document. A sample portfolio of the types and quantity of fixed-income holdings the investment advisor will likely hold can be found in Appendix III. The scope of this RFP is to select a firm to provide institutional custody services for initial assets totaling approximately $125 million. Over time this amount is expected to increase.

UAF will likely need to have at least three (3) custody accounts. Two of the custody accounts would likely hold approximately 40 to 75 security positions. The third custody account will likely have less than 10 security positions. Over the course of 12 months, it is estimated that there will be 67 purchases, 74 sales, and 8 maturities in total across all three custody accounts.

The custodian bank will receive trade information from the University’s investment advisor. The custodian bank will have no responsibility for investing or reinvesting these monies except for providing an overnight investment vehicle. Only a minimal balance (less than $250,000) will likely be held in the overnight investment vehicle.

**Security Liquidation Services**

The University would like the selected firm to also provide security liquidation services on a small number of gifts received each year. The University receives approximately ten gifts per year made up of individual securities including U.S. and non-U.S. equities, bonds, and mutual funds. The University normally sells these securities upon receipt. In some cases, the University may decide to hold the securities for a period of time.

The University is interested in receiving proposals from firms to provide asset custody, security brokerage, and related services to receive, deposit, safeguard, sell, and remit proceeds of these securities, under the direction of the University. The selected liquidation agent shall be required to receive physical and book entry securities, retrieve book entry and Dividend Reinvestment Program (DRP) shares, liquidate securities, and receive and report dividends, increment, and stock actions.

**UAF expects to achieve the following goals (at minimum) through the selected firm:**

1. Maintain 3 or more accounts in the bank’s custody operations (as opposed to simple safekeeping) for cash and individual securities owned by the University.
2. Segregate all securities and cash from the assets of others. The custodian shall have only the bare custody thereof and securities shall, unless payable to the bearer, be registered in the name of the University, or in the bank’s nominee name. Securities delivered to the custody bank shall be in due form for transfer or already registered as provided above.
3. Settle and deliver securities as directed by the University, Investment Manager, or advisor.
4. Act upon proper instructions from authorized persons received by fax or other acceptable methods by the University to accept the receipt, transfer, and delivery of assets.
5. Assign a dedicated day-to-day person that is familiar with the University’s portfolio, who is available for phone conversations to address various questions.
6. Create, maintain, and retain all records relating to securities held in custody in University accounts to meet requirements and obligations under generally accepted accounting principles.
7. Provide an overnight investment vehicle for cash balances in the custody accounts.
8. Provide on-line reporting of portfolio activity and holdings on a real-time or next day basis, with capability to download reports to Excel-compatible format.
9. Provide on-line daily and monthly activity statements and reports including the market value of all portfolio holdings, with capabilities to download reports to Excel-compatible format.
10. Provide monthly activity statements with reports for all accounts. The statement cut off should be the last day of the month. Statements must be sent no later than five (5) business days after the close of each month.
11. Provide portfolio liquidation services.
12. Provide daily notification of securities received in accounts and verification of approval to sell.

**3. COSTS**

Please provide a description of how the fee structure is set up and how various items are priced,

as listed on the Official Bid Price Sheet provided within this RFP document **(see Appendix II).**

Pricing must be valid for 120 days following the bid response due date and time. The University will

not be obligated to pay any costs not identified on the Official Price Sheet. The respondent must

certify that any costs not identified by the respondent, but subsequently incurred in order to achieve

successful operation of the service, will be borne by the respondent. Failure to do so may result

in rejection of the bid.

**4. REFERENCES**

Respondents must provide a minimum of three (3) references, preferably in higher education, (including the organization’s name, address, persons to contact, telephone numbers, and email addresses) located in the continental United States currently served by respondent. References are to be parties who can attest to the qualifications relevant to providing services requested. The University reserves the right to contact any references provided to evaluate the level of performance and customer satisfaction. **See Appendix I for format.**

**5. RESPONDENTS RESPONSIBILITY TO READ RFP**

It is the Respondent's responsibility to thoroughly examine and read the entire RFP document. Failure of Respondents to fully acquaint themselves with existing conditions or the amount of goods and work involved will not be a basis for requesting extra compensation after the award of a Contract.

**6. PROJECTED TIMETABLE OF ACTIVITIES**

The following schedule will apply to this RFP, but may change in accordance with the University's needs:

04/07/16: RFP released to prospective respondents

04/18/16: 12:00 PM CST - Last date/time UAF will accept questions and issue an addendum

04/21/16: Proposal submission deadline 2:30 PM CST

04/26/16: Notice of Intent to Award

Upon Award: Contract Negotiations Begin (upon intent to award)

Upon Contract Approval: Service to Commence

**7. CONTRACT TERM AND TERMINATION**

The term (“Term”) of this contract will be for a period beginning from the date of award. If mutually agreed upon in writing by the contractor and the University of Arkansas, the term shall be for an initial period of five (5) years, with an optional two (2) year extension. The University of Arkansas may terminate this Agreement without cause, at any time during the Term (including any renewal periods), by giving the other party thirty (30) days advance written notice of termination. Additionally, in the event of non-appropriation of funds necessary to fulfill the terms and conditions of this Agreement during any biennium period of the Term (including any renewal periods), the parties agree that this Agreement shall automatically terminate without notice.

**a)** If at any time the services become unsatisfactory, the University of Arkansas will give thirty (30) days written notice to the contractor. If at the end of the thirty (30) day period the services are still deemed unsatisfactory, the contract shall be cancelled by the University of Arkansas, Office of Business Affairs. Additionally, the agreement may be terminated, without penalty, by the University without cause by giving thirty (30) days written notice of such termination to the seller.

**b)** Upon award, the agreement is subject to cancellation, without penalty, either in whole or in part, if funds are not appropriated.

**c)** In no event shall such termination by the University as provided for under this Section give rise to any liability on the part of the University including, but not limited to, claims of Proposer for compensation for anticipated profits, unabsorbed overhead, or on borrowing. The University’s sole obligation hereunder is to pay Proposer for services ordered and received prior to the date of termination.

The terms, conditions, representations, and warranties contained in the agreement shall survive the termination of this contract.

**8. GENERAL INFORMATION FOR BIDDERS**

**8.1 Distributing Organization**

This Request for Proposal (RFP) is issued by the Office of Business Affairs, University of Arkansas, Fayetteville (UAF). The University Purchasing Official is the sole point of contact during this process.

**Bidder Questions and Addenda:** Bidder questions concerning all matters of this RFP should be sent via email to:

**Whitney Smith, Procurement Coordinator**

**Office of Business Affairs**

[**wesmith@uark.edu**](mailto:wesmith@uark.edu)

Questions received via email will be directly addressed via email, and compilation of *all* questions and answers (Q&A), as well as any revision, update and/or addenda specific to this RFP solicitation will be made available on HogBid, the University of Arkansas bid solicitation website: <http://hogbid.uark.edu/index.php>. During the time between the bid opening and contract award(s), with the exception of bidder questions during this process, any contact concerning this RFP will be initiated by the issuing agency and not the respondent. Specifically, the persons named herein will initiate all contact.

Respondents shall not rely on any other interpretations, changes, or corrections. It is the Respondent's responsibility to thoroughly examine and read the entire RFP document and any Q&A or addenda to this RFP. Failure of Respondents to fully acquaint themselves with existing conditions or information provided will not be a basis for requesting extra compensation after the award of a Contract.

**8.2 Agency Employees and Agents**

The Company shall be responsible for the acts of its employees and agents while performing services pursuant to the Agreement. Accordingly, the Company agrees to take all necessary measures to prevent injury and loss to persons or property while on the University premises. The Company shall be responsible for all damages to persons or property on and off campus caused solely or partially by the Company or any of its agents or employees. Company employees shall conduct themselves in a professional manner and shall not use the University’s facilities for any activity or operation other than the operation and performance of services as herein stated. The University reserves the right to deny access to any individual. The following conduct is unacceptable for the Company’s employees and agents: foul language, offensive or distasteful comments related to age, race, ethnic background or sex, evidence of alcohol influence or influence of drugs, refusal to provide services requested, refusal to make arrangements for additional services needed and general rudeness. The Company shall require standard criminal background checks on all employees of the Company in advance of the performance of any on-campus duties. Employees whose background checks reveal felony convictions of any type are to be either removed from all support activities on the University campus or reported to the University for review and approval in advance of the performance of any on-campus duties.

**8.3 Tobacco Free Campus**

Smoking and the use of tobacco products (including cigarettes, cigars, pipes, smokeless tobacco, and other tobacco products), as well as the use of electronic cigarettes, by students, faculty, staff, contractors, and visitors, are prohibited at all times on and within all property, including buildings, grounds, and Athletic facilities, owned or operated by the University of Arkansas and on and within all vehicles on University property, and on and within all University vehicles at any location.

**8.4 Disputes**

The successful vendor and the University agree that they will attempt to resolve any disputes in good faith. The vendor and the University agree that the State of Arkansas shall be the sole and exclusive venue for any litigation or proceeding that may arise out of or in connection with this contract. The vendor acknowledges, understands and agrees that any actions for damages against the University may only be initiated and pursued in the Arkansas Claims Commission. Under no circumstances does the University agree to binding arbitration of any disputes or to the payment of attorney fees, court costs or litigation expenses.

**8.5 Conditions of Contract**

The successful bidder shall at all times observe and comply with federal and Arkansas State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of this contract which in any manner affect the completion of work. The successful bidder shall indemnify and save harmless the University and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the successful bidder.

**8.6 Contract Information**

Respondents should note the following regarding the State’s contracting authority, and amend any documents accordingly. Failure to conform to these standards may result in rejection of agency response:

A. The State of Arkansas may not contract with another party:

1. To pay any penalties or charges for late payment or any penalties or charges which in fact are penalties for any reason.

2. To indemnify and defend that party for liability and damages. Under Arkansas law the University of Arkansas may not enter into a covenant or agreement to hold a party harmless or to indemnify a party from prospective damages. However, with respect to loss, expense, damage, liability, claims or demands either at law or in equity for actual or alleged injuries to persons or property arising out of any negligent act or omission by the University and its employees or agents in the performance of this Agreement, the University agrees with the successful party that: (a) it will cooperate with the successful party in the defense of any action or claim brought against the successful party seeking the foregoing damages or relief; (b) it will in good faith cooperate with the successful party should the successful party present any claims of the foregoing nature against University to the Claims Commission of the State of Arkansas; (c) it will not take any action to frustrate or delay the prompt hearing on claims of the foregoing nature by the said Claims Commission and will make reasonable efforts to expedite said hearing; provided, however, the University reserves its right to assert in good faith all claims and defenses available to it in any proceedings in said Claims Commission or other appropriate forum. The obligations of this paragraph shall survive the expiration or termination of this agreement.

3. Upon default, to pay all sums that become due under a contract.

4. To pay damages, legal expenses, or other costs and expenses of any party.

5. To conduct litigation in a place other than Washington County, Arkansas.

6. To agree to any provision of a contract that violates the laws or constitution of the State of Arkansas.

B. A party wishing to contract with UAF should:

1. Remove any language from its contract which grants to it any remedies other than:

* The right to possession.
* The right to accrued payment.
* The right to expenses of de-installation.

2. Include in its contract that the laws of the State of Arkansas govern the contract.

3. Acknowledge in its contract that contracts become effective when awarded by the University Purchasing Official.

**8.7 Reservation**

This RFP does not commit UAF to award a contract, to pay costs incurred in the preparation of a response to this request, or to procure or contract for services or supplies. UAF reserves the right to accept or reject (in its entirety), any response received as a result of this RFP, if it is in the best interest of the University to do so. In responding to this RFP, respondents recognize that the University may make an award to a primary vendor; however, the University reserves the right to purchase like and similar services from other agencies as necessary to meet operation requirements.

**8.8 Qualifications of Bidder**

The University may make such investigations as deems necessary to determine the ability of the bidder to meet all requirements as stated within this bid request, and the bidder shall furnish to the University all such information and data for this purpose that the University may request. The University reserves the right to reject any bid if the evidence submitted by, or investigations of, such bidder fails to satisfy the University that such bidder is properly qualified to carry out the obligations of the Agreement.

**8.9 Default**

In the event that the contractor fails to carry out or comply with any of the Terms and Conditions of the contract with the University, the University may notify the Contractor of such failure or default in writing and demand that the failure or default be remedied within ten (10) working days, and in the event the Proposer fails to remedy such failure or default within the ten (10) working day period, the University shall have the right to cancel the contract upon thirty (30) days written notice. The cancellation of the contract, under any circumstances whatsoever, shall not effect or relieve contractor from any obligation or liability that may have been incurred or will be incurred pursuant to the contract and such cancellation by the University shall not limit any other right or remedy available to the University by law or in equity.

**8.10 Non Waiver of Defaults**

Any failure of the University at any time, to enforce or require the strict keeping and performance of any of the terms and conditions of this agreement shall not constitute a waiver of such terms, conditions, or rights, and shall not affect or impair same, or the right of the University at any time to avail itself of same.

**8.11 Independent Parties**

Vendor acknowledges that under this contract it is an independent vendor and is not operating in any fashion as the agent of the University. The relationship of the vendor and University is that of independent contractors, and nothing in this contract should be construed to create any agency, joint venture, or partnership relationship between the parties.

**8.12 Governing Law**

The parties agree that this contract, including all amendments thereto, shall be construed and enforced in accordance with the laws of the State of Arkansas, without regard to choice of law principles. Consistent with the foregoing, this contract shall be subject to the Uniform Commercial Code as enacted in Arkansas.

**8.13 Proprietary Information**

Proprietary information submitted in response to this bid will be processed in accordance with applicable University of Arkansas procurement procedures. All material submitted in response to this bid becomes the public property of the State of Arkansas and will be a matter of public record and open to public inspection subsequent to bid opening as defined by the Arkansas Freedom of Information Act. The Respondent is hereby cautioned that any part of its bid that is considered confidential, proprietary, or trade secret, must be labeled as such and submitted in a separate envelope along with the bid, and can only be protected to the extent permitted by Arkansas law.

**8.14 Disclosure**

Disclosure is a condition of this contract and the University of Arkansas cannot enter into any contract for which disclosure is not made. Arkansas’s Executive Order 98-04 requires all potential contractors disclose whether the individual or anyone who owns or controls the business is a member of the Arkansas General Assembly, constitutional officer, state board or commission member, state employee, or the spouse or family member of any of these. If this applies to the bidder’s business, the bidder must state so in writing.

**8.15 Proposal Modification**

Proposals submitted prior to the Proposal opening date may be modified or withdrawn only by written notice to the University of Arkansas. Such notice must be received by the University Purchasing Official prior to the time designated for opening of the Proposal. Respondent may change or withdraw the Proposal at any time prior to Proposal opening; however, no oral modifications will be allowed. Only letters or other formal written requests for modifications or corrections of a previously submitted Proposal that are addressed in the same manner as the Proposal and that are received prior to the scheduled Proposal opening time will be accepted. The Proposal, when opened, will then be corrected in accordance with such written requests, provided that the written request is contained in a sealed envelope that is clearly marked with the RFP number and “Modification of Proposal”. No modifications of the Proposal will be accepted at any time after the Proposal due date and time.

**8.16 Prime Contractor Responsibility**

Single and joint vendor bids and multiple bids by vendors are acceptable. However, the selected bidder(s) will be required to assume prime contractor responsibility for the contract and will be the sole point of contact with regard to the award of this RFP.

**8.17 Period of Firm Proposal**

Prices for the proposed services must be kept firm for **at least 120 days** after the Proposal Due Date specified on the cover sheet of this RFP. Firm Proposals for periods of less than this number of days may be considered non-responsive. The Respondent may specify a longer period of firm price than indicated here. If no period is indicated by the Respondent in the Proposal, the price will be firm for 120 days or until written notice to the contrary is received from the Respondent, whichever is longer.

**8.18 Errors and Omissions**

The Respondent is expected to comply with the true intent of this RFP taken as a whole and shall not avail itself of any errors or omissions to the detriment of the services. Should the Respondent suspect any error, omission, or discrepancy in the specifications or instructions, the Respondent shall immediately notify the University Purchasing Official, in writing, and the University of Arkansas shall issue written instructions to be followed. The Respondent is responsible for the contents of its Proposal and for satisfying the requirements set forth in the RFP.

**8.19 Award Responsibility**

The University Purchasing Official will be responsible for award and administration of any resulting contract(s). The University reserves the right to reject any or all bids, or any portion thereof, to re-advertise if deemed necessary, and to investigate any or all bids and request additional information as necessary in order to substantiate the professional, financial and/or technical qualifications of the Bidders.

Contract(s) will be awarded to the Bidder(s) whose proposal adheres to the conditions set forth in the RFP, and in the sole judgment of the University, best meets the overall goals and financial objectives of the University. A resultant contract will not be assignable without prior written consent of both parties.

**8.20 Confidentiality and Publicity**

From the date of issuance of the RFP until the opening date, the Respondent must not make available or discuss its Proposal, or any part thereof, with any employee or agent of the University of Arkansas. The Respondent is hereby warned that any part of its Proposal or any other material marked as confidential, proprietary, or trade secret, can only be protected to the extent permitted by law. All material submitted in response to this RFP becomes the property of the University of Arkansas.

News release(s) by a vendor pertaining to this RFP or any portion of the project shall not be made without prior written approval of the University Purchasing Official. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the respondent's bid. The University Purchasing Official will not initiate any publicity relating to this procurement action before the contract award is completed.

Employees of the company awarded the contract may have access to records and information about University processes, employees, including proprietary information, trade secrets, and intellectual property to which the University holds rights. The company agrees to keep all such information strictly confidential and to refrain from discussing this information with anyone else without proper authority.

**8.21 Respondent Presentations**

The University of Arkansas reserves the right to, but is not obligated to, request and require that

final contenders determined by the Evaluation Committee provide a formal presentation of their

Proposal at a date and time to be determined by the Evaluation Committee. Respondents are

required to participate in such a request if the University of Arkansas chooses to engage such

opportunity.

**8.22 Excused Performance**

In the event that the performance of any terms or provisions of this Agreement shall be delayed or

prevented because of compliance with any law, decree, or order of any governmental agency or

authority, either local, state, or federal, or because of riots, war, acts of terrorism, public

disturbances, unavailability of materials meeting the required standards, strikes, lockouts,

differences with workmen, fires, floods, Acts of God, or any other reason whatsoever which is not

within the control of the party whose performance is interfered with and which, by the exercise of

reasonable diligence, such party is unable to prevent (the foregoing collectively referred to as

"Excused Performance"), the party so interfered with may at its option suspend, without liability, the

performance of its obligations during the period such cause continues, and extend any due date or

deadline for performance by the period of such delay, but in no event shall such delay exceed six

(6) months.

**8.23 Funding Out Clause**

If, in the sole discretion of the University, funds are not allocated to continue this Agreement, or any

activities related herewith, in any future period, then the University will not be obligated to pay any

further charges for services, beyond the end of the then current period. The Company will be notified

of such non-allocation at the earliest possible time. No penalty shall accrue in the event this section

is exercised. This section shall not be construed so as to permit the University to terminate the

Agreement in order to acquire similar service from a third party.

**8.24 Indicia**

The respondents and the Company acknowledges and agrees that the University owns the rights

to its name and its other names, symbols, designs, and colors, including without limitation, the

trademarks, service marks, designs, team names, nicknames, abbreviations, city/state names in

the appropriate context, slogans, logo graphics, mascots, seals, color schemes, trade dress, and

other symbols associated with or referring to the University of Arkansas that are adopted and used

or approved for use by the University (collectively the “Indicia”) and that each of the Indicia is valid.

Neither any respondent nor Company shall have any right to use any of the Indicia or any similar

mark as, or a part of, a trademark, service mark, trade name, fictitious name, domain name,

company or corporate name, a commercial or business activity, or advertising or endorsements

anywhere in the world without the express prior written consent of the University. Any domain name,

trademark or service mark registration obtained or applied for that contains the Indicia or any similar

mark upon request shall be assigned or transferred to the University without compensation.

**8.25 RFP Interpretation**

Interpretation of the wording of this document shall be the responsibility of the University of Arkansas and that interpretation shall be final.

**8.26 Time is of the Essence**

Vendor and University agree that time is of the essence in all respects concerning this contract and performance herein.

**8.27 Formation of the Agreement/Contract**

At its option, the University may take either one of the following actions in order to create the agreement between the University and the selected vendor:

**A.** Accept a proposal as written by issuing a written notice to the selected vendor, which refers to the Request for Proposal and accept the proposal submitted in response to it.

**B.** Enter negotiations with one or more firms in an effort to reach a mutually satisfactory written agreement, which will be executed by both parties and will be based upon this Request for Proposal, the proposal submitted by the firm and negotiations concerning these.

Because the University may use alternative (A) above, each Proposer should include in its proposal all requirements, terms or conditions it may have, and should not assume that an opportunity will exist to add such matters after the proposal is submitted. The contents of this RFP will be incorporated into the final contract documents, which will include a Standard University agreement.

**NOTE: The successful bidder will enter into a Professional Service Contract that will require approval prior to any work conducted. See the following link for reference:** <http://procurement.uark.edu/professional-contract-services.php>

**9. INSTRUCTION TO BIDDERS**

**9.1** Respondents must comply with all articles of the Standard Terms and Conditions documents posted on our Hogbid website as counterpart to the RFP document, and any associated appendices, as well as all articles within the RFP document. The University of Arkansas is not responsible for any misinterpretation or misunderstanding of these instructions on the part of the Bidders.

**9.2** Respondents must address each section of the RFP. An interactive version of the RFP document will be posted on our Hogbid website. Bidders can insert responses into the document provided, or create their own response document making sure to remain consistent with the numbering and chronological order as listed in our RFP document. Ultimately, bidders must ‘acknowledge’ each section of our document in their bid response.

In the event that a detailed response is not necessary, the respondent shall state ACKNOWLEDGED as the response to indicate that the respondent acknowledges, understands, and fully complies with the specification. If a description is requested, please insert detailed response accordingly. Bidder’s required responses should contain sufficient information and detail for the University to further evaluate the merit of the vendor’s response. Failure to respond in this format may result in bid disqualification.

**9.3**Any exceptions to any of the terms, conditions, specifications, protocols, and/or other requirements listed in this RFP must be clearly noted by reference to the page number, section, or other identifying reference in this RFP. All information regarding such exceptions to content or requirements must be noted in the same sequence as its appearance in this RFP.

**9.4** Proposals will be publicly opened in the Purchasing Office, Room 321 Administration Building, The University of Arkansas, Fayetteville, Arkansas, 72701, at 2:30 p.m. CST, on the proposal due date. All responses must be submitted in a sealed envelope with the response number clearly visible on the OUTSIDE of the envelope/package. No responsibility will be attached to any person for the premature opening of a response not properly identified.

**Firms must submit one (1) signed original and three (3) signed copies of their response.** Responses must be received at the following location prior to the time and date specified within the timeline this RFP:

**University of Arkansas**

**Business Affairs, Purchasing Division**

**Administration Building, Room 321**

**1125 W. Maple St**

**Fayetteville, Arkansas 72701**

One (1) copy of referenced or otherwise appropriate descriptive literature must accompany a submitted bid. **All bid documents must also be submitted on a CD-ROM or USB Flash drive** (labeled with the respondent’s name and the Bid Number), readable by the University, with the documents in Microsoft Windows versions of Microsoft Word, Microsoft Excel, Microsoft Visio, Microsoft PowerPoint, or Adobe PDF formats; other formats are acceptable as long as that format’s viewer is also included or a pointer is provided for downloading it from the Internet. Responses shall be publicly opened and announced at that time.

**An additional one (1) physical copy and one (1) electronic copy on CD-ROM or USB flash drive must be submitted for delivery to the investment manager enlisted by the University to assist in the RFP process.** Responses must be received at the following location prior to the time and date specified within the timeline of this RFP:

**PFM Asset Management LLC**

**Attn: David Calvert**

**One Keystone Plaza, Ste 300**

**N. Front & Market Streets.**

**Harrisburg, PA 17101**

**Phone: (717) 232-2723**

[**calvertd@pfm.com**](mailto:calvertd@pfm.com)

**NOTE: No award will be made at bid opening. Only names of respondents and a preliminary determination of proposal responsiveness will be made at this time.**

Respondents may deliver their responses either by hand or through U.S. Mail or other available courier services to the address shown above. **Include the RFP name and number on the outside of each package and/or correspondence related to this RFP.** No call-in, emailed, or faxed responses will be accepted. The Respondent remains solely responsible for insuring that its response is received at the time, date, and location specified. The University of Arkansas assumes no responsibility for any response not so received, regardless of whether the delay is caused by the U.S. Postal Service, University Postal Delivery System, or some other act or circumstance. Responses received after the time specified in this RFP will not be considered. **All responses received after the specified time will be returned unopened**.

**9.5** For a bid to be considered, an official authorized to bind the respondent to a resultant contract must include signature in the blank provided on the RFP cover sheet. Failure to sign the response as required will eliminate it from consideration.

**9.6** All official documents, including responses to this RFP, and correspondence shall be included as part of the resultant contract.

**9.7** The University Purchasing Official reserves the right to award a contract or reject a bid for any or all line items of a bid received as a result of this RFP, if it is in the best interest of the University to do so. Bids may be rejected for one or more reasons not limited to the following:

* + - * 1. Failure of the vendor to submit the bid(s) and bid copies as required in this RFP on or before

the deadline established by the issuing agency.

* + - * 1. Failure of the vendor to respond to a requirement for oral/written clarification, presentation, or demonstration.
        2. Failure to provide the bid security or performance security if required.
        3. Failure to supply vendor references if required.
        4. Failure to sign an Official Bid Document.
        5. Failure to complete the Official Bid Price Sheet.
        6. Any wording by the respondent in their response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a bid requirement in this RFP.

**9.8** If the bidder submits standard terms and conditions with the bid, and if any section of those terms is in conflict with the laws of the State of Arkansas, the State laws shall govern. Standard terms and conditions submitted may need to be altered to adequately reflect all of the conditions of this RFP, the bidder's responses and Arkansas State law.

**10. INDEMNIFICATION AND INSURANCE**

The successful bidder shall indemnify and hold harmless the University, its officers and employees from all claims, suits, actions, damages, and costs of every nature and description arising out of or resulting from the Contract, or the provision of services under the Contract.

The successful bidder shall purchase and maintain at bidder’s expense, the following minimum insurance coverage for the period of the contract. Certificates evidencing the effective dates and amounts of such insurance must be provided to the University.

* Workers Compensation: As required by the State of Arkansas.
* Comprehensive General Liability, with no less than $1,000,000 each occurrence/$2,000,000 aggregate for bodily injury, products liability, contractual liability, and property damage liability.
* Comprehensive Automobile Liability, with no less than combined coverage for bodily injury and property damage of $1,000,000 each occurrence. Policies shall be issued by an insurance company authorized to do business in the State of Arkansas and shall provide that policy may not be canceled except upon thirty (30) days prior written notice to the University of Arkansas.

Contractor shall furnish University with a certificate(s) of insurance effecting coverage required herein. Failure to file certificates or acceptance by the University of certificates which do not indicate the specific required coverages shall in no way relieve the Contractor from any liability under the Agreement, nor shall the insurance requirements be construed to conflict with the obligations of Contractor concerning indemnification. Proof of Insurance must be included in bid response.

Contractor shall, at their sole expense, procure and keep in effect all necessary permits and licenses required for its performance under this agreement, and shall post or display in a prominent place such permits and/or notices as are required by law.

**11. BEST AND FINAL OFFER**

The University of Arkansas reserves the right to request an official “Best and Final Offer” from bid Respondents if it deems such an approach in the best interest of the institution.  In general, the “Best and Final Offer” will consist of an updated cost proposal in addition to an opportunity for the vendor to submit a final response to specific questions or opportunities identified in subsequent discussions related to the original proposal response submitted to the university. If the University of Arkansas chooses to invoke a “Best and Final Offer” option, all responses will be re-evaluated by incorporating the information as requested in the official “Best and Final Offer” document, including costs and answers to specific questions presented in the document. The specific format for the official “Best and Final Offer” request will be determined during evaluation discussions.  The official request for a “Best and Final Offer” will be issued by the University Procurement Department.

**12. SPECIFICATIONS / SCOPE OF SERVICES REQUESTED**

While the overall format of the proposal is at the discretion of the respondents, each proposal should contain the following information at a minimum:

If the bidder submits standard terms and conditions with the bid, and if any section of those terms is in conflict with the laws of the State of Arkansas, the State laws shall govern. Standard terms and conditions submitted may need to be altered to adequately reflect all of the conditions of this RFP, the bidder's responses and Arkansas State law.

**12.1 Company Overview**

1. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
2. Provide the location (city and state) of the firm’s headquarters.
3. Provide the address of the office that will cover the University’s account.
4. Describe the experience of the financial institution in providing similar services to the higher education market.
5. Complete the following table with current credit ratings by Standard & Poor’s Rating Services and Moody’s. If the Proposer is not rated by these rating organizations, provide other evidence of the institution’s financial strength.

|  |  |  |
| --- | --- | --- |
|  | **Standard & Poor’s Rating** | **Moody’s Rating** |
| **Firm / Bank** |  |  |
| Short-Term Unsecured Senior Debt |  |  |
| Long-Term Unsecured Senior Debt |  |  |
| **Bank Holding Company** |  |  |
| Short-Term Unsecured Senior Debt |  |  |
| Long-Term Unsecured Senior Debt |  |  |

1. Include an ***electronic*** copy of the most recent audited annual financial statements.

**12.2 Personnel**

1. Provide the name, title, address, phone number, fax number and email address of the primary contact person (i.e. relationship manager) assigned to this account.
2. Describe your firm’s policy on changing the primary contact person on an account.
3. Name the individuals who will work with the University on a day-to-day basis.
   1. Biographical information
   2. Experience working with other colleges and universities
   3. Proposed role with regard to the University’s account
   4. Number of years of experience in this field
   5. Number of years with your firm
   6. Disclose any sanctions or disciplinary actions taken against the any of these employees by the SEC, FINRA, or other regulatory body within the last five (5) years.

**12.3 Institutional Custody Services for Fixed Income Portfolio Services**

1. List of the total number and market value of institutional custody accounts as of December 31 for the following years: 2013, 2014, and 2015.
2. Describe your firm’s history and experience of providing custody services.
3. Provide the cut off times for notification of a transaction settling the same day.
4. Fed Book
5. DTC
6. When does the bank credit interest, dividends, and maturities?
7. Are security transactions settled on an actual or contractual basis? If settlement is on an actual basis, how will the bank compensate the University for fail float?
8. Trade details will likely be faxed to the custody bank with a follow-up e-mail or phone call to confirm receipt of the trade instructions. Can your institution accommodate this process?
9. Describe the process the University would follow to wire funds from the custody account to its main depository account? What methods can the University use to instruct your firm to initiate outgoing wires (phone, e-mail, fax, online)?
10. If the University is depositing additional funds into the custody account, what notification by the University is required? If notification is required, what methods can the University use to notify your firm about incoming wires (phone, e-mail, fax, online)? Will the bank confirm the receipt of the wire? How will this confirmation occur (phone, e-mail, fax, online)?
11. Describe any sub-custodial arrangements that would be used for ***domestic, fixed income investments*** belonging to the University.
12. Reporting
    1. Describe the frequency and format of custody reports that the bank would provide to the University. Include sample reports.
    2. Does the bank provide information to clients through an online inquiry/reporting service? Describe the information available (e.g. pending trades, asset list by account, transaction history).
    3. How many days after month-end is reporting available?
    4. What pricing source does the bank use for the market valuation of securities?
    5. Can information be exported to Microsoft Excel? Please describe.
    6. What is the lag time between trade execution, availability of on-line transaction data, and the settlement of the transaction to the bank’s reporting system.
13. Overnight Investment Sweep
    1. What short-term investment vehicle (s) does the bank propose to use for the overnight investment sweep in the University’s custody accounts?
    2. Does a reserve requirement apply for the proposed overnight sweep option?
    3. What time of day is the cash sweep deadline? Is it end-of-day or next-day sweep?
    4. Provide return history for the thirty-six month period from January 2012 through December 2015. Please show the yield or return by month.
    5. What fee (if any) applies for funds swept into this investment vehicle? How is the fee calculated?
    6. Is the sweep option automated? If not, what process does the bank use to ensure cash balances are invested?

**12.4 Security Liquidation Services**

1. How is the firm structured to provide liquidation services? Please specify and discuss all that apply: brokerage affiliate, stand-alone agency, introducing broker, custody bank affiliate, consultant affiliate, principal, etc.).
2. Describe the experience of the financial institution in providing safekeeping and portfolio liquidation services to higher education institutions.
3. Describe your procedures for notifying clients that a gift of securities has been received and for verifying approval to sell.
4. Safekeeping
   1. Describe your procedures for handling physical securities.
   2. Describe your procedures for book-entry securities.
   3. The University may receive international equity securities. Explain your international custody services, including sub-custodial arrangements.
   4. Do you provide proxy voting services?
   5. What are your procedures for handling no value or worthless securities?
5. Portfolio Liquidation
   1. Describe your firm’s philosophy concerning portfolio liquidation for institutional clients. What distinct competitive advantages does your firm have over other firms?
   2. Explain your ability and processes in liquidating securities. It is expected that authorized sales will occur within 7 days of receipt.
   3. Is trading performed on an agency basis, principal basis, or both?
   4. Explain your willingness and ability to serve as our agent to resolve receipt transactions, reconciliations, and similar issues with the reporting business or paying agent. Describe your procedures for collecting, posting, and reporting dividends, mergers, and splits. It is expected that this activity will decrease if sales are executed within 7 days of receipt.
   5. Describe the available options for disbursing net proceeds from security sales. Describe applicable transaction procedures.
   6. Describe your procedures for handling mutual fund transactions.
6. Reporting
   1. Describe your reporting capabilities.
   2. Are you able to provide daily, real time, on-line or internet reporting access to the University?
   3. Provide samples of relevant reports.
   4. Do you have the ability to customize reports?

**12.4 Control**

1. Describe the bank's security environment. Describe the bank's security procedures for its information reporting system, both for access and information protection?
2. List the types and amounts of insurance and bonding carried.
3. Include a copy of the bank's most recent reports issued in accordance with the Statement on Standards for Attestation Engagements (S.S.A.E. 16).

**12.5 Sample Contract**

1. Provide a sample of the proposed contract for your bank’s services. Please also provide samples of all other documents which will need to be signed/entered into related to the provision of the services requested in this RFP including any documents referenced or incorporated into the contracts/agreements

**12.6 Pricing and Account Analysis**

1. For how long will the bank guarantee the proposed fees?
2. Can fees be billed to the University rather than debited directly from the University’s accounts?

**13. EVALUATION AND SELECTION PROCESS**

It is the intent of the University to award an Agreement to the respondent(s) deemed to be the most qualified and responsible firm(s), who submits the best overall proposal based on an evaluation of all responses. Selection shall be based on UAF assessment of the agency’s ability to provide adequate service, as determined by the evaluation committee elected to evaluate proposals. The University of Arkansas reserves the right to reject any or all Proposals or any part thereof, to waive informalities, and to accept the Proposal or Proposals deemed most favorable to the University of Arkansas. Where contract negotiations with a respondent do not proceed to an executed contract within a time deemed reasonable by UAF (for whatever reasons), UAF may reconsider the proposals of other respondents and, if appropriate, enter into contract negotiations with one or more of the other respondents. Proposals shall remain valid and current for the period of 90 days after the due date and time for submission of proposals. Each response will receive a complete evaluation and will be assigned a score of up to 100 points possible based on the following items:

1. **Ability to Provide Full Range of Services as Indicated in the RFP Above (35 Points)**

Respondent with the highest rating shall receive thirty-five (35) points. Points shall be assigned based on factors within this category, to include but are not limited to:

* Scope of Services Offered
* Respondent Presentations
* Adherence to University Requirements

1. **Vendor History and Past Performance (30 Points)**

Agency with highest rating shall receive thirty (30) points. Points shall be assigned based on factors within this category, to include but are not limited to:

* Profile of organization and history
* Commitment in providing services
* Number of years in business
* History of similar engagements
* Higher Education References

1. **Cost (35 Points)**

Points shall be assigned for the cost of the specific categories of services, which comprise the overall system, including annual maintenance cost, as follows **(reference Section 3 Costs):**

* Include/describe the firms pricing structure as well as per item fees, as necessary
* Cost points will be assigned on the specific component basis as reflected on the Official Price Sheet, for comparison and evaluation purposes.
* The bid with the lowest estimated cost of the overall system will receive the maximum points possible for this section.
* Remaining bids will receive points in accordance with the following formula:

**(a/b)(c) = d**

a = lowest cost bid in dollars

b = second (third, fourth, etc.) lowest cost bid

c = maximum points for Cost category (20)

d = number of points allocated to bid

Failure of the Respondent to provide in his/her proposal any information requested in this RFP may result in disqualification of his/her proposal and shall be the responsibility of the respondent.

**14. SERVICE PERFORMANCE STANDARDS**

|  |  |  |
| --- | --- | --- |
| **Service Criteria** | **Acceptable Performance** | **Compensation / Damages** |
| Adherence to University Requirements | Reference section 1 & 2 of RFP. | **Termination of Contract:** Reference section 7 of RFP. This termination clause will apply for insufficient performance of services by vendor at the sole discretion of the University of Arkansas, Fayetteville. |
| Scope of Services | Reference section 12 of RFP. | **Termination of Contract:** Reference section 7 of RFP. This termination clause will apply for insufficient performance of services by vendor at the sole discretion of the University of Arkansas, Fayetteville. |

**APPENDIX I: Bidder Information/Reference**

Bidder must provide the following information as part of this proposal:

1. Respondent Representative

Contact Name

Telephone

Email Address

Address

2. References of your current customer(s) as specified in **Section 4** of this RFP document:

a. Company/Organization Name:

Contact Name

Telephone

Email Address

Address

b. Company/Organization Name:

Contact Name

Telephone

Email Address

Address

c. Company/Organization Name:

Contact Name

Telephone

Email Address

Address

**APPENDIX II: Official Price Sheet**

**Reference Section 3 Costs** for further instruction, and the corresponding Bid Price Sheet provided below. Please complete the Price Sheet as provided and submit within your proposal. If pricing is dependent on any assumptions that are not specifically stated on the Official Price Sheet, please list those assumptions accordingly on a separate spreadsheet and show detailed pricing. Any additional pricing lists should remain attached to the Official Price Sheet for purposes of accurate evaluation. **Pricing must be valid for 120 days following the bid response due date and time.**

The University will not be obligated to pay any costs not identified accordingly. The respondent must certify that any costs not identified by the respondent, but subsequently incurred in order to achieve successful operation of the service, will be borne by the respondent. Failure to do so may result in rejection of the bid.

Provide a complete fee schedule for the services described in your proposal; include all flat annual fees, as well as per-transaction fees, e.g., wire transfers, trading commissions and fees, reporting, etc. Use format below:

|  |  |  |
| --- | --- | --- |
| **Institutional Custody Services** |  |  |
|  |  |  |
| Assets Based Fee Schedule (apply for relationship) |  |  |
| First $50 million |  |  |
| $50 - 100 million |  |  |
| $100 - 150 million |  |  |
| $150 - 200 million |  |  |
| $200+ million |  |  |
|  |  |  |
| What the Asset Based Fee for a $125 million Account? |  |  |
|  |  |  |
|  | Volume |  |
| Account Maintenance Fee (Annual Charge) | 3 |  |
| # of Portfolio Holdings | 135 |  |
| Other Charges (reporting, etc.) |  |  |
| Setup Fees |  |  |
|  | Annual |  |
|  | Volume | Unit Cost if |
| DTC / Fed Purchases | 67 |  |
| DTC / Fed Sells | 74 |  |
| DTC / Fed Maturities | 8 |  |
| Interest Payments | 186 |  |
| MBS Principal and Interest Payments | 173 |  |
| Incoming Domestic Wires | 3 |  |
| Outgoing Domestic Wires | 3 |  |
|  |  |  |
|  |  |  |
| **Security Liquidation Services** |  |  |
|  | Annual |  |
|  | Volume | Unit Cost if |
| Annual Base Fee | 1 |  |
| Account Maintenance Fee | 1 |  |
| Securities Received | 10 |  |
| Securities Delivered Out |  |  |
| Security Sale Transactions | 10 |  |
| Interest Received |  |  |
| Dividend Received |  |  |
| Long Term Capital Gain Received |  |  |
| Redeemed / Full Call |  |  |
| Foreign Dividend Received |  |  |
| Foreign Tax Paid |  |  |
| Withdraw From Money Fund by Fed Wire | 10 |  |
| Miscellaneous |  |  |
| Commission |  |  |
|  |  |  |

**APPENDIX III: Sample Portfolio Holdings**







**APPENDIX IV: Investment Policy**

Fayetteville Policies and Procedures 314.0 Investment Policy – Operating Funds