

**STATE OF NEW MEXICO
DEPARTMENT OF FINANCE & ADMINISTRATION
BOARD OF FINANCE**

REQUEST FOR PROPOSALS (RFP)

Institutional Custody Services



RFP#

26-341-4000-00003

RFP Release Date: October 17, 2025

Proposal Due Date: November 17, 2025

ELECTRONIC-ONLY PROPOSAL SUBMISSION

I. INTRODUCTION.....	1
A. PURPOSE OF THIS REQUEST FOR PROPOSALS	1
B. BACKGROUND INFORMATION.....	1
C. SCOPE OF PROCUREMENT.....	1
D. PROPOSAL SUBMISSION	2
E. DEFINITION OF TERMINOLOGY.....	2
F. PROCUREMENT LIBRARY	6
II. CONDITIONS GOVERNING THE PROCUREMENT	8
A. SEQUENCE OF EVENTS.....	8
B. EXPLANATION OF EVENTS	8
1. <i>Issue RFP</i>	8
2. <i>Deadline to Submit Written Questions</i>	8
3. <i>Response to Written Questions</i>	9
4. <i>Submission of Proposal</i>	9
5. <i>Proposal Evaluation</i>	9
6. <i>Selection of Finalists</i>	9
7. <i>Oral Presentations</i>	10
8. <i>Finalist Approved</i>	10
9. <i>Finalize Contractual Agreements</i>	10
10. <i>Contract Approval</i>	10
11. <i>Contract Awards</i>	10
12. <i>Protest Deadline</i>	10
C. GENERAL REQUIREMENTS.....	11
1. <i>Acceptance of Conditions Governing the Procurement</i>	11
2. <i>Incurring Cost</i>	11
3. <i>Prime Contractor Responsibility</i>	11
4. <i>Subcontractors</i>	11
5. <i>Amended Proposals</i>	12
6. <i>Offeror’s Rights to Withdraw Proposal</i>	12
7. <i>Proposal Offer Firm</i>	12
8. <i>Disclosure of Proposal Contents</i>	12
9. <i>No Obligation</i>	13
10. <i>Termination</i>	13
11. <i>Sufficient Appropriation</i>	13
12. <i>Legal Review</i>	13
13. <i>Governing Law</i>	13
14. <i>Basis for Proposal</i>	13
15. <i>Contract Terms and Conditions</i>	13
16. <i>Offeror’s Terms and Conditions</i>	14
17. <i>Contract Deviations</i>	14
18. <i>Offeror Qualifications</i>	14
19. <i>Right to Waive Minor Irregularities</i>	15
20. <i>Change in Contractor Representatives</i>	15
21. <i>Notice of Penalties</i>	15
22. <i>Agency Rights</i>	15
23. <i>Right to Publish</i>	15
24. <i>Ownership of Proposals</i>	15
25. <i>Confidentiality</i>	16
26. <i>Electronic mail address required</i>	16
27. <i>Use of Electronic Versions of this RFP</i>	16
28. <i>New Mexico Employees Health Coverage</i>	16

29.	<i>Campaign Contribution Disclosure Form</i>	17
30.	<i>Letter of Transmittal</i>	17
31.	<i>Disclosure Regarding Responsibility</i>	17
32.	<i>New Mexico/Native American Resident Preferences</i>	19
III. RESPONSE FORMAT AND ORGANIZATION		20
A.	NUMBER OF RESPONSES	20
B.	ELECTRONIC SUBMISSION	20
C.	PROPOSAL CONTENT AND ORGANIZATION	21
IV. SPECIFICATIONS.....		23
A.	DETAILED SCOPE OF WORK	23
1.	<i>Relationship Management and Support</i>	25
2.	<i>Safekeeping Services</i>	25
3.	<i>Security Settlement</i>	29
4.	<i>Credit Availability, Scheduling, and Reporting</i>	30
5.	<i>State Treasurer’s Information</i>	31
6.	<i>Investment Portfolio Analysis</i>	31
7.	<i>Other Services</i>	31
8.	<i>Collection of Funds</i>	33
9.	<i>Transaction Reporting</i>	33
10.	<i>Commingled Short-Term Investment Funds</i>	34
11.	<i>Securities Lending</i>	34
12.	<i>Class Actions Services</i>	35
13.	<i>Investment Performance Reporting and Compliance Services</i>	36
14.	<i>Notifications</i>	36
15.	<i>No Overdrafts</i>	36
16.	<i>Corporate Actions Services</i>	36
17.	<i>Proxies</i>	37
B.	TECHNICAL SPECIFICATIONS	37
1.	<i>Organizational Experience</i>	37
2.	<i>Organizational References</i>	39
3.	<i>Mandatory Specifications</i>	39
4.	<i>Desirable Specification</i>	46
C.	BUSINESS SPECIFICATIONS	46
1.	<i>Financial Stability</i>	46
2.	<i>Letter of Transmittal Form</i>	47
3.	<i>Campaign Contribution Disclosure Form</i>	47
4.	<i>Oral Presentation</i>	47
5.	<i>Cost</i>	47
6.	<i>New Mexico/Native American Resident Preferences</i>	47
V. EVALUATION.....		48
A.	EVALUATION POINT SUMMARY	48
B.	EVALUATION FACTORS	49
1.	<i>B.1 Organizational Experience (See Table 1)</i>	49
2.	<i>B.2 Organizational References (See Table 1)</i>	49
3.	<i>B.3 Mandatory Specifications</i>	49
4.	<i>B.4 Desirable Specifications</i>	51
5.	<i>C.1 Financial Stability (See Table 1)</i>	51
6.	<i>C.2 Letter of Transmittal (See Table 1)</i>	51
7.	<i>C.3 Campaign Contribution Disclosure Form (See Table 1)</i>	51
8.	<i>C.4 Oral Presentation (See Table 1)</i>	51

9.	C.5 Cost (See Table 1)	51
10.	C.6. New Mexico Preferences	52
C.	EVALUATION PROCESS	52
APPENDIX A		53
CAMPAIGN CONTRIBUTION DISCLOSURE FORM		53
APPENDIX B		56
DRAFT CONTRACT		56
APPENDIX C		73
COST RESPONSE FORM		73
APPENDIX D		75
LETTER OF TRANSMITTAL FORM		75
APPENDIX E		76
ORGANIZATIONAL REFERENCE QUESTIONNAIRE		76
APPENDIX F		82
CUSTODY REPORTS OVERVIEW		82
APPENDIX G		86
MANDATORY SPECIFICATION INFORMATION		86
APPENDIX H		88
AGENCY CERTIFICATION FORM		88

I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The New Mexico Department of Finance and Administration, State Board of Finance (hereinafter referred to as the “SBOF”) is issuing this Request for Proposal (RFP) to solicit sealed proposals to establish a contract through competitive negotiations for the procurement of Institutional Custody Services and the use of related banking services by the State Treasurer’s Office (“STO”).

B. BACKGROUND INFORMATION

Pursuant to Section 6-10-35 NMSA 1978 (1923, as amended through 1989), the SBOF has general supervision for selecting the custody bank in New Mexico, codified at 2.60.7 NMAC as the Custody Bank to act as custodian for the State of New Mexico in all matters concerning securities custody and the clearance of investment transactions.

C. SCOPE OF PROCUREMENT

The initial contract for the prescribed scope of services shall be for a period of four years. The successful Offeror shall provide STO with institutional custody services. The Scope of Services are further described in Section IV.A of this RFP.

The resulting contract will be a single award.

This procurement will result in a contractual agreement between two parties, with the State Treasurer’s Office as Authorized Agency, as defined in this RFP. PROCUREMENT MANAGER

SBOF has assigned a Procurement Manager who is responsible for the conduct of this procurement whose name, telephone number, and e-mail address are listed below:

Name: Ashley Leach, Procurement Manager
Telephone: (505) 629-9745
Email: Ashley.Leach@dfa.nm.gov

1. **Any inquiries or requests** regarding this procurement should be submitted, in writing, to the Procurement Manager. Offerors may contact **ONLY** the Procurement Manager regarding this procurement. Other state employees or Evaluation Committee members do not have the authority to respond on behalf of the Procurement Manager.
2. **Protests of the solicitation or award must be submitted in writing to the Protest Manager identified in Section II.B.12.** As a Protest Manager has been named in this Request for Proposals, pursuant to §13-1-172, NMSA 1978 and 1.4.1.82 NMAC, **ONLY** protests delivered directly to the Protest Manager in writing and in a timely fashion

will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. Protests submitted or delivered to the Procurement Manager will NOT be considered properly submitted.

D. PROPOSAL SUBMISSION

All deliveries of proposals **MUST** be submitted via the DFA Bonfire Procurement Portal. Only electronic submittals in the Bonfire Procurement Portal will be accepted for this RFP.

<https://nmdfa.bonfirehub.com/projects>

E. DEFINITION OF TERMINOLOGY

This section contains definitions of terms used throughout this procurement document, including appropriate abbreviations:

1. “**Agency**” means the New Mexico State Board of Finance or that State Agency sponsoring this Procurement.
2. “**Agent**” means the State Treasurer and those employees and contractors of the Investing Agency who are designated in writing by the Treasurer’s Office to act in the capacity of agents of the Board.
3. “**Authorized Agency**” means each department, agency, branch, council, commission, board, and instrumentality and institution of government of the State of New Mexico authorized by the State Board of Finance to use services under this contract.
4. “**Award**” means the final execution of the contract document.
5. “**Business Day**” means Monday through Friday, excluding Federal Reserve holidays and bank holidays.
6. “**Business Hours**” means weekdays (Monday – Friday) 8:00 AM thru 5:00 PM MST/MDT, whichever is in effect on the date given.
7. “**Close of Business**” means weekdays (Monday – Friday) 5:00 PM MST/MDT, whichever is in effect on the date given
8. “**Confidential**” means confidential financial information concerning Offeror’s organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act §§57-3-A-1 through 57-3A-7, NMSA 1978. See also NMAC 1.4.1.45. The following items may **not** be labelled as confidential: Offeror’s submitted Cost response, Staff/Personnel Resumes/Bios (excluding personal information such as personal telephone numbers and/or home addresses), and other submitted data that is **not** confidential financial information or that qualifies under the Uniform Trade Secrets Act.

9. “**Contract**” means any agreement for the procurement of items of tangible personal property, services or construction.
10. “**Contractor**” means any business having a contract with a state agency or local public body.
11. “**Corporate Action**” means any subscription right, bonus issue, stock repurchase plan, redemption, exchange, tender offer, or similar matter with respect to a Financial Asset in the Securities Account that requires discretionary action by the beneficial owner of the Security, but does not include rights with respect to class action litigation or proxy voting.
12. “**Custody Bank**” means the Contractor or Contractors assigned to provide services consistent with Title 2, Chapter 60, Part 7 NMAC.
13. “**Desirable**” – the terms “may,” “can,” “should,” “preferably,” or “prefers” identify a desirable or discretionary item or factor.
14. “**Determination**” means the written documentation of a decision of a procurement officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.
15. “**DFA**” means the Department of Finance and Administration, which is the State agency within which the State Board of Finance is included.
16. “**Electronic Submission**” means a successful submittal of Offeror’s proposal in the NMDFA Bonfire Procurement Portal, in such cases where NMDFA Bonfire Procurement Portal submissions are accepted.
17. “**Electronic Version/Copy**” means a digital format consisting of text, images or both, readable on computers or other electronic devices, which includes all content that the Original document contains. The electronic version/copy CANNOT be emailed.
18. “**Entitlement Holder**” means the person named on the records of a Securities Intermediary as the person having a securities entitlement against the Securities Intermediary.
19. “**Evaluation Committee**” means a body appointed to perform the evaluation of Offerors’ proposals.
20. “**Evaluation Committee Report**” means a report prepared by the Procurement Manager and the Evaluation Committee to support the Committee’s recommendation for contract award. It will contain scores and written evaluations of all responsive Offeror proposals.
21. “**Final Award**” means, in the context of this Request for Proposals and all its attendant documents, that point at which the final required signature on the contract(s) resulting from the procurement has been affixed to the contract(s) thus making it fully executed.

22. **“Finalist”** means an Offeror who meets all the mandatory specifications of this Request for Proposals and whose score on evaluation factors is sufficiently high to merit further consideration by the Evaluation Committee, as explained in Section II.B.6.
23. **“Financial Asset”** means a Security and refers, as the context requires, either to the asset itself or to the means by which a person’s claim to it is evidenced, including a Security, a security certificate, or a securities entitlement. “Financial Asset” does not include cash.
24. **“Fiscal Agent”** means the Contractor or Contractors assigned to provide services consistent with Title 2, Chapter 60, Part 7 NMAC.
25. **“Instructions”** means an instruction that has been verified in accordance with a Security Procedure or, if no Security Procedure is applicable, which Contractor believes in good faith to have been given by an Agent in the manner specified next to their name in the relevant authorizing document.
26. **“Investing Agency”** means the New Mexico State Treasurer’s Office (STO).
27. **“Mandatory”** – the terms “must,” “shall” “will,” “is required,” or “are required,” identify a mandatory item or factor. Failure to meet a mandatory item or factor may result in the rejection of the Offeror’s proposal.
28. **“Minor Irregularities”** means anything in the proposal that does not affect the price, quality and/or quantity, or any other mandatory requirement.
29. **“Offeror”** is any person, corporation, or partnership who chooses to submit a proposal.
30. **“Procurement Manager”** means any person or designee authorized by a state agency or local public body with the responsibility, authority, and resources to conduct the RFP procurement, make written determinations regarding the RFP procurement, and/or enter into or administer contracts as a result of the RFP procurement.
31. **“Procuring Agency”** means all State of New Mexico agencies, commissions, institutions, political subdivisions and local public bodies allowed by law to procure items of tangible personal property, services or construction from the agreement(s) awarded as a result of this RFP.
32. **“Project”** means a temporary process undertaken to solve a well-defined goal or objective with clearly defined start and end times, a set of clearly defined tasks, and a budget. The project terminates once the project scope is achieved and project acceptance is given by the project executive sponsor.
33. **“Redacted”** means a version/copy of the Offeror’s proposal with the information considered proprietary or confidential (as defined by §§57-3A-1 to 57-3A-7 NMSA 1978

and NMAC 1.4.1.45 and summarized herein and outlined in Section II.C.8 of this RFP) blacked-out BUT NOT omitted or removed.

34. “**Request for Proposals (RFP)**” means all documents, including those attached or incorporated by reference, used for soliciting proposals.
35. “**Responsible Offeror**” means an Offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, or items of tangible personal property described in the proposal.
36. “**Responsive Offer**” means an offer which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a request for proposals include, but are not limited to price, quality, quantity or delivery requirements.
37. “**Sealed**” means, in terms of electronic submission, an Offeror’s proposal and all accompanying documents has been completely and successfully uploaded into the NMDFA Bonfire Procurement Portal.
38. “**SBOF**” means the New Mexico State Board of Finance.
39. “**Securities**” means shares, stocks, debentures, bonds, notes or other like obligations, whether issued in certificated or uncertificated form, and any certificates, receipts, warrants or other instruments representing rights to receive, purchase or subscribe for the same that are commonly traded or dealt in on securities exchanges or financial markets or other obligations of an issuer, or shares, participations and interests in an issuer recognized in the country in which it is issued or dealt in as a medium for investment and any other property as may be acceptable to Contractor for the Securities Account.
40. “**Securities Account**” means each Securities custody account on Contractor’s records to which Financial Assets are or may be credited under this Agreement.
41. “**Securities Depository**” means any clearing system, securities depository, dematerialized book entry system or similar system for the central handling of Securities.
42. “**Securities Intermediary**” means contractor, a Securities Depository, and any other financial institution which in the ordinary course of business maintains Securities custody accounts for others and acts in that capacity.
43. “**Security Procedure**” means security procedures to be followed by the Investing Agency upon the issuance of an Instruction and/or by Contractor upon the receipt of an Instruction, so as to enable Contractor to verify that such Instruction is authorized, as set forth in service level or other documentation agreed in writing by the parties. A Security Procedure may, without limitation, involve the use of algorithms, codes, passwords, encryption and telephone call backs. The Investing Agency acknowledges that Security Procedures are

designed to verify the authenticity of, and not detect errors in, Instructions. For the avoidance of doubt, the parties agree that a SWIFT message issued in the name of the Investing Agency through any third-party utility agreed upon by the parties as being a method for providing Instructions and authenticated in accordance with that utility's customary procedures, shall be deemed to be an authorized Instruction.

44. **“Staff”** means any individual who is a full-time, part-time, or an independently contracted employee with the Offerors' company.
45. **“State (the State)”** means the State of New Mexico.
46. **“State Agency”** means any department, commission, council, board, committee, institution, legislative body, agency, government corporation, educational institution or official of the executive, legislative or judicial branch of the government of this state. “State agency” includes the Purchasing Division of the General Services Department and the State Purchasing Agent but does not include local public bodies.
47. **“State Purchasing Agent”** means the Director of the Purchasing Division of the General Services Department.
48. **“Statement of Concurrence”** means an affirmative statement from the Offeror indicating its response to a required Section IV specification agreeing to comply and concur with the stated requirement(s). This statement shall be included in Offerors proposal, pursuant to Section III.C. (E.g., “We concur,” “Understands and Complies,” “Comply,” “Will Comply if Applicable,” etc.)
49. **“STO”** means the New Mexico State Treasurer's Office.
50. **“Treasurer”** means the Treasurer of the State of New Mexico.
51. **“Unredacted”** means a version/copy of the proposal containing all complete information; including any that the Offeror would otherwise consider confidential, such copy for use only for the purposes of evaluation.
52. **“Written”** means typed in standard 8 ½ x 11-inch document format, by common electronic means (such as Microsoft Word, Adobe PDF, etc.). A larger size document is permissible for charts, spreadsheets, etc.

F. PROCUREMENT LIBRARY

A procurement library has been established. Offerors are encouraged to review the material contained in the Procurement Library by selecting the link below.

RFP, Questions & Answers, RFP Amendments, etc.

<https://www.nmdfa.state.nm.us/board-of-finance/request-for-proposals/>

Other relevant links:

Additional information on the State Treasurer's Office, including Investment Policies and the State Treasurer's Investment Council (STIC) Documents, can be found at:

<https://www.nmsto.gov/reports>

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule of events, the descriptions of each event, and the conditions governing this procurement.

A. SEQUENCE OF EVENTS

The Procurement Manager will make every effort to adhere to the following schedule:

Action	Responsible Party	Due Dates
1. Issue RFP	SBOF	October 17, 2025
2. Deadline to Submit Written Questions	Potential Offerors	October 24, 2025
3. Response to Written Questions	Procurement Manager	November 3, 2025
4. <i>Submission of Proposal</i>	<i>Potential Offerors</i>	<i>November 17, 2025</i>
5.* Proposal Evaluation	Evaluation Committee	November 17–December 17, 2025
6.* Selection of Finalists	Evaluation Committee	December 17, 2025
7.* Oral Presentation(s)	Finalist Offerors	January 8–9, 2026
8.* Finalist Approved	SBOF	February 17, 2026
9.* Finalize Contractual Agreement	SBOF/Finalist Offeror	February 18–May 8, 2026
10.* Contract Approval	SBOF	May 19, 2026
11.* Contract Awards	SBOF/ Finalist Offeror	July 1, 2026
12.* Protest Deadline	SBOF	+15 days

* Dates indicated in Events 5 through 12 are estimates only and may be subject to change without necessitating an amendment to the RFP.

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the Sequence of Events shown in Section II.A., above.

1. Issue RFP

This RFP is being issued on behalf of the State of New Mexico, New Mexico State Board of Finance on the date indicated in Section II.A, Sequence of Events.

2. Deadline to Submit Written Questions

Potential Offerors may submit written questions to the Procurement Manager as to the intent or clarity of this RFP until 3:00 pm MST/MDT as indicated in Section II.A, Sequence of Events. All written questions must be addressed to the Procurement Manager

as declared in Section I.D. Questions shall be clearly labeled and shall cite the Section(s) in the RFP or other document which form the basis of the question.

3. Response to Written Questions

Written responses to the written questions will be provided via e-mail on or before the date indicated in Section II.A, Sequence of Events. An electronic version of the Questions and Answers will be posted to: <https://nmdfa.bonfirehub.com/projects>.

4. Submission of Proposal

ALL PROPOSALS MUST BE SUBMITTED TO THE DFA BONFIRE PROCUREMENT PORTAL NO LATER THAN **November 17, 2025, AT 5:00 PM MDT. NO LATE PROPOSAL CAN BE ACCEPTED.** No hard copy proposals will be accepted. All proposals must be submitted via the DFA Bonfire Procurement Portal.

A log will be kept of the names of all Offeror organizations that submitted proposals. Pursuant to §13-1-116, NMSA 1978, the contents of proposals shall not be disclosed to competing potential Offerors during the negotiation process. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this Request for Proposals. Awarded in this context means the final required state agency signature on the contract(s) resulting from the procurement has been obtained.

It is the Offeror's responsibility to ensure all documents are completely uploaded and submitted electronically via the DFA Bonfire Procurement Portal by the deadline set forth in this RFP.

5. Proposal Evaluation

An Evaluation Committee will perform the evaluation of proposals. This process will take place as indicated in Section II.A, Sequence of Events, depending upon the number of proposals received. During this time, the Procurement Manager may initiate discussions with Offerors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals. However, proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the Offerors.

6. Selection of Finalists

The Evaluation Committee will select and the Procurement Manager will notify the Finalist Offerors as per schedule Section II.A, Sequence of Events or as soon as possible thereafter. A schedule for Oral Presentation, if any, will be determined at this time. Finalists will comprise the three (3) Offerors receiving the highest cumulative scores in the following Sections: Section IV.B.1 Organizational Experience, Section IV.B.2 Organizational References, Section IV.B.3 Mandatory Specifications, and Section IV.B.4 Desirable Specifications.

7. Oral Presentations

Finalist Offerors, as selected per Section II.B.6 above, may be required to conduct an oral presentation at a venue to be determined as per schedule Section II.A., Sequence of Events, or as soon as possible thereafter. If oral presentations are held, Finalist Offerors may be required to make their presentations through electronic means (GoToMeeting, Microsoft Teams, etc.). The Agency will provide Finalist Offerors with applicable details. Whether or not Oral Presentations will be held is at the discretion of the Evaluation Committee.

8. Finalist Approved

The finalist selected by the Evaluation Committee will be presented to the SBOF for approval on the date specified in Section II.A., Sequence of Events. This date is subject to change at the discretion of the SBOF.

9. Finalize Contractual Agreements

After approval of the Evaluation Committee Report and SBOF approval of the finalist, any contractual agreement(s) resulting from this RFP will be finalized with the most advantageous Offeror(s), taking into consideration the evaluation factors set forth in this RFP, as per Section II.A., Sequence of Events, or as soon as possible thereafter. The most advantageous proposal may or may not have received the most points. In the event mutually agreeable terms cannot be reached with the apparent most advantageous Offeror in the timeframe specified, the State reserves the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.

10. Contract Approval

The finalized contract agreed upon by SBOF staff, counsel, and the finalist will be presented to the SBOF for approval on the date specified in Section II.A., Sequence of Events. This date is subject to change at the discretion of the SBOF.

11. Contract Awards

Upon receipt of the signed contractual agreement, the Agency Procurement office will award as per Section II.A., Sequence of Events, or as soon as possible thereafter. The award is subject to appropriate Department and State approval.

12. Protest Deadline

Any protest by an Offeror must be timely submitted and in conformance with §13-1-172 NMSA 1978 and applicable procurement regulations. As a Protest Manager has been

named in this Request for Proposals, pursuant to §13-1-172 NMSA 1978 and 1.4.1.82 NMAC, ONLY protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. The 15 calendar day protest period shall begin on the day following the notice of award of contract(s) and will end at 5:00 pm MST/MDT on the 15th day. Protests must be written and must include the name and address of the protestor and the request for proposal number. It must also contain a statement of the grounds for protest including appropriate supporting exhibits and it must specify the ruling requested from the party listed below. The protest must be directed to:

Rudy Anaya, Protest Manager
rudy.anaya@dfa.nm.gov

PROTESTS RECEIVED AFTER THE DEADLINE WILL NOT BE ACCEPTED.

C. GENERAL REQUIREMENTS

1. Acceptance of Conditions Governing the Procurement

Offerors must indicate their acceptance to be bound by the Conditions Governing the Procurement, Section II.C, and Evaluation, Section V, by completing and signing the Letter of Transmittal form, pursuant to the requirements in Section II.C.30, located in APPENDIX D.

2. Incurring Cost

Any cost incurred by the potential Offeror in preparation, transmittal, and/or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror. Any cost incurred by the Offeror for set up and demonstration of the proposed equipment and/or system shall be borne solely by the Offeror.

3. Prime Contractor Responsibility

Any contractual agreement that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of all requirements of the contractual agreement with a State Agency which may derive from this RFP. The State Agency entering into a contractual agreement with a vendor will make payments to only the prime contractor.

4. Subcontractors

The use of subcontractors is not allowed. The prime contractor shall be wholly responsible for the entire performance of the contractual agreement.

5. Amended Proposals

An Offeror may submit an amended proposal before the proposal due date. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. **Agency personnel will not merge, collate, or assemble proposal materials.**

6. Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request addressed to the Procurement Manager and signed by the Offeror's duly authorized representative.

The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations, 1.4.1.5 & 1.4.1.36 NMAC.

7. Proposal Offer Firm

Responses to this RFP, including proposal prices for services, will be considered firm for two-hundred and fifty (250) days after the due date for receipt of proposals or ninety (90) days after the due date for the receipt of a best and final offer, if the Offeror is invited or required to submit one.

8. Disclosure of Proposal Contents

The contents of all submitted proposals will be kept confidential until the final award has been completed by the Agency. At that time, all proposals and documents pertaining to the proposals will be available for public inspection, *except* for proprietary or confidential material as follows:

- a. ***Proprietary and Confidential information is restricted to:***
 1. confidential financial information concerning the Offeror's organization; and
 2. information that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, §§57-3A-1 through 57-3A-7 NMSA 1978.
- b. An additional but separate redacted version of Offeror's proposal, as outlined and identified in Section III.B.1.a, shall be submitted containing the blacked-out proprietary or confidential information, in order to facilitate eventual public inspection of the non-confidential version of Offeror's proposal.

IMPORTANT: The price of products offered or the cost of services proposed **SHALL NOT** be designated as proprietary or confidential information.

If a request is received for disclosure of proprietary or confidential materials, the Agency shall examine the request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the Offeror takes legal action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public

inspection subject to any continuing prohibition on the disclosure of proprietary or confidential information.

9. No Obligation

This RFP in no manner obligates the State of New Mexico or any of its Agencies to the use of any Offeror's services until a valid written contract is awarded and approved by appropriate authorities.

10. Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the Agency determines such action to be in the best interest of the State of New Mexico.

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such terminations will be affected by sending written notice to the contractor. The Agency's decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

12. Legal Review

The Agency requires that all Offerors agree to be bound by the General Requirements contained in this RFP. Any Offeror's concerns must be promptly submitted in writing to the attention of the Procurement Manager.

13. Governing Law

This RFP and any agreement with an Offeror which may result from this procurement shall be governed by the laws of the State of New Mexico.

14. Basis for Proposal

Only information supplied in writing by the Procurement Manager or contained in this RFP shall be used as the basis for the preparation of Offeror proposals.

15. Contract Terms and Conditions

The contract between an agency and a contractor will follow the format specified by the Agency and contain the terms and conditions set forth in the Draft Contract (APPENDIX B). However, the contracting agency reserves the right to negotiate provisions in addition to those contained in this RFP Draft Contract (APPENDIX B) with any Offeror. The contents of this RFP, as revised and/or supplemented, and the successful Offeror's proposal will be incorporated into and become part of any resultant contract.

The Agency discourages exceptions from the contract terms and conditions as set forth in the RFP Draft Contract (APPENDIX B). Such exceptions may cause a proposal to be rejected as nonresponsive when, in the sole judgment of the Agency (and the Evaluation Committee), the proposal appears to be conditioned on the exception, or correction of what is deemed to be a deficiency, or an unacceptable exception is proposed which would require a substantial proposal rewrite to correct.

Should an Offeror object to any of the terms and conditions as set forth in the RFP Draft Contract (APPENDIX B) strongly enough to propose alternate terms and conditions in spite of the above, the Offeror must propose **specific** alternative language. The Agency may or may not accept the alternative language. General references to the Offeror's terms and conditions or attempts at complete substitutions of the Draft Contract are not acceptable to the Agency and will result in disqualification of the Offeror's proposal.

Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

If an Offeror fails to propose any alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror), no proposed alternate terms and conditions will be considered later during the negotiation process. **Failure to propose alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror) is an explicit agreement by the Offeror that the contractual terms and conditions contained herein are accepted by the Offeror.**

16. Offeror's Terms and Conditions

Offerors must submit with the proposal a complete set of any additional terms and conditions they expect to have included in a contract negotiated with the Agency. See Section II.C.16 for requirements.

17. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation (such terms and conditions having been proposed during the procurement process, that is, the RFP process prior to selection as successful Offeror), will be discussed only between the Agency and the Offeror selected and shall not be deemed an opportunity to amend the Offeror's proposal.

18. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the potential Offeror to adhere to the requirements specified within this RFP. The Evaluation Committee will reject the proposal of any potential Offeror who is not a

Responsible Offeror or fails to submit a Responsive Offer as defined in §13-1-83 and §13-1-85 NMSA 1978.

19. Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor irregularities, as defined in Section I.F.19. The Evaluation Committee also reserves the right to waive mandatory requirements, provided that **all** of the otherwise responsive proposals failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

20. Change in Contractor Representatives

The Agency reserves the right to require a change in contractor representatives if the assigned representative(s) is (are) not, in the opinion of the Agency, adequately meeting the needs of the Agency.

21. Notice of Penalties

The Procurement Code, §§13-1-28 through 13-1-199 NMSA 1978, imposes civil, and misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

22. Agency Rights

The Agency in agreement with the Evaluation Committee reserves the right to accept all or a portion of a potential Offeror's proposal.

23. Right to Publish

Throughout the duration of this procurement process and contract term, Offerors and contractors must secure from the agency written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement and/or agency contracts deriving from this procurement. Failure to adhere to this requirement may result in disqualification of the Offeror's proposal or removal from the contract.

24. Ownership of Proposals

All documents submitted in response to the RFP shall become property of the State of New Mexico. If the RFP is cancelled, all responses received shall be destroyed by the Agency or SPD.

25. Confidentiality

Any confidential information provided to, or developed by, the contractor in the performance of the contract resulting from this RFP shall be kept confidential and shall not be made available to any individual or organization by the contractor without the prior written approval of the Agency.

The Contractor(s) agrees to protect the confidentiality of all confidential information and not to publish or disclose such information to any third party without the procuring Agency's written permission.

26. Electronic mail address required

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Offeror must have a valid e-mail address to receive this correspondence. (See also Section II.B.3, Response to Written Questions).

27. Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. In the event of conflict between a version of the RFP in the Offeror's possession and the version maintained by the agency, the Offeror acknowledges that the version maintained by the agency shall govern.

28. New Mexico Employees Health Coverage

- A. If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.
- B. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state.
- C. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information: <https://bewellnm.com>.
- D. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price agreement) of \$250,000.

29. Campaign Contribution Disclosure Form

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form (APPENDIX A) as a part of their proposal. This requirement applies regardless whether a covered contribution was made or not made for the positions of Governor and Lieutenant Governor or other identified official. **Failure to complete and return the signed, unaltered form will result in Offeror's disqualification.**

30. Letter of Transmittal

Offeror's proposal must be accompanied by the Letter of Transmittal Form located in APPENDIX D, which must be **signed** by the individual authorized to contractually obligate the company, identified in #2 below.

Provide the following information:

1. Identify the submitting business entity; Name, Mailing Address, Phone Number, Federal Tax ID Number (TIN), and New Mexico Business Tax ID Number (BTIN, formerly CRS);
2. Identify the Name, Title, Telephone, and E-mail address of the person authorized by the Offeror's organization to (A) contractually obligate the business entity providing the Offer, (B) negotiate a contract on behalf of the organization; and/or (C) provide clarifications or answer questions regarding the Offeror's proposal content (*A response to B and/or C is only necessary if the responses differs from the individual identified in A*);
3. Identify any subcontractor/s that may be utilized in the performance of any resultant contract award;
4. Identify any other entity/-ies (such as State Agency, reseller, etc., that is not a subcontractor identified in #3) that may be used in the performance of this awarded contract; and
5. The individual identified in #2 above, must sign and date the form, attesting to the veracity of the information provided, and acknowledging (a) the organization's acceptance of the Conditions Governing the Procurement stated in Section II.C.1, (b) the organizations acceptance of the Section V Evaluation Factors, and (c) receipt of any and all amendments to the RFP.

Failure to submit the signed Letter of Transmittal Form located in Appendix D will result in Offeror's disqualification.

31. Disclosure Regarding Responsibility

- A. Any prospective Contractor and any of its Principals who enter into a contract greater than sixty thousand dollars (\$60,000.00) with any state agency or local public body for professional services, tangible personal property, services or construction agrees to disclose whether the Contractor, or any principal of the Contractor's company:

1. is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body;
 2. has within a three-year period preceding this offer, been convicted in a criminal matter or had a civil judgment rendered against them for:
 - a. the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract;
 - b. violation of Federal or state antitrust statutes related to the submission of offers; or
 - c. the commission in any federal or state jurisdiction of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of Federal criminal tax law, or receiving stolen property;
 3. is presently indicted for, or otherwise criminally or civilly charged by any (federal state or local) government entity with the commission of any of the offenses enumerated in paragraph A of this disclosure;
 4. has, preceding this offer, been notified of any delinquent Federal or state taxes in an amount that exceeds \$3,000.00 of which the liability remains unsatisfied. Taxes are considered delinquent if the following criteria apply.
 - a. The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge of the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
 - b. The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
 - c. Have within a three-year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.)
- B. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.
- C. The Contractor shall provide immediate written notice to the State Purchasing Agent or other party to this Agreement if, at any time during the term of this Agreement, the Contractor learns that the Contractor's disclosure was at any time erroneous or became erroneous by reason of changed circumstances.
- D. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of the Contractor's responsibility and ability to perform under this Agreement. Failure of the Contractor to furnish a disclosure or provide additional information as requested will render the Offeror nonresponsive.
- E. Nothing contained in the foregoing shall be construed to require establishment of a

system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.

- F. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the contract, the Contractor is indicted for or otherwise criminally or civilly charged by any government entity (federal, state or local) with commission of any offenses named in this document the Contractor must provide immediate written notice to the State Purchasing Agent or other party to this Agreement. If it is later determined that the Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the State Purchasing Agent or Central Purchasing Officer may terminate the involved contract for cause. Still further the State Purchasing Agent or Central Purchasing Officer may suspend or debar the Contractor from eligibility for future solicitations until such time as the matter is resolved to the satisfaction of the State Purchasing Agent or Central Purchasing Officer.

32. New Mexico/Native American Resident Preferences

To ensure adequate consideration and application of §13-1-21 NMSA 1978 (as amended), **Offeror must submit a copy of its valid New Mexico/Native American Resident Preference Certificate or its valid New Mexico/Native American Resident Veteran Preference with its proposal.** Certificates for preferences must be obtained through the New Mexico Department of Taxation & Revenue
<http://www.tax.newmexico.gov/Businesses/in-state-veteran-preference-certification.aspx>.

In accordance with §13-1-21(H) NMSA 1978, an agency shall not award any combination of New Mexico/Native American Resident Preferences.

III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal in response to this RFP.

B. ELECTRONIC SUBMISSION

Any proposal that does not adhere to the requirements of this **Section III.B** and **Section III.C Proposal Content and Organization** may be deemed non-responsive and rejected on that basis.

1. Electronic Submission Requirements

For proposals submitted through DFA’s electronic procurement system, the Offeror need only submit one single electronic copy of each portion of its proposal (Technical and Cost) as outlined below. Separate the proposals as described below into separate electronic files for submission.

Proposals must be submitted in the manner outlined below. Technical and Cost portions of Offerors proposal must be submitted in separate uploads as indicated below in this section, and must be prominently identified as “Technical Proposal” or “Cost Proposal” on the front page of each upload.

- a) **Technical Proposals** – One (1) ELECTRONIC upload must be organized in accordance with **Section III.C, Proposal Content and Organization**. All information for the Technical Proposal must be uploaded to the NMDFA Bonfire Procurement Portal. **The Technical Proposals SHALL NOT contain any cost information.**
 - **Confidential Information**: If Offeror’s proposal contains confidential information, as defined in Section I.F.5 and detailed in Section II.C.8, Offeror **must** submit **two (2) separate ELECTRONIC technical files.** One (1) ELECTRONIC version of the requisite proposals identified in Section III.B.1. above as **unredacted** (def. Section I.F.36) versions for evaluation purposes; and
 - One (1) **redacted** (def. Section I.F.26) ELECTRONIC version for the public file, in order to facilitate eventual public inspection of the non-confidential version of Offeror’s proposal. Redacted versions **must** be clearly marked as “REDACTED” or “CONFIDENTIAL” on the first page of the electronic file;
- b) **Cost Proposals** – One (1) ELECTRONIC upload of the proposal containing **ONLY** the Cost Proposal. All information for the cost proposal **must be combined into a single file/document and uploaded** to the NMDFA Bonfire Procurement Portal.

For technical support issues contact the Bonfire support team available on the website or by emailing Ashley.Leach@dfa.nm.gov.

The ELECTRONIC submission proposals must be received no later than the time and date indicated in Section II.A, Sequence of Events, Submission of Proposals. The ELECTRONIC submission must be fully uploaded in DFA's Bonfire Procurement Portal system, by the submission deadline in Section II.A.

2. Any proposal that does not adhere to the requirements of this Section and **Section III.C, Proposal Content and Organization**, may be deemed non-responsive and rejected on that basis.

C. PROPOSAL CONTENT AND ORGANIZATION

All proposals must be submitted as follows:

Direct reference to pre-prepared or promotional material may be used if referenced and clearly marked. Promotional material must be minimal. Within each section of the proposal, Offerors must organize and address the RFP requirements in the order indicated below. All forms provided in this RFP must be thoroughly completed and included in the appropriate section of Offeror's proposal. **Any and all discussion of proposed costs, rates or expenses must occur ONLY in the Cost Proposal.**

Technical Proposal – DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL PROPOSAL.

1. Signed Letter of Transmittal (APPENDIX D)
2. Signed Campaign Contribution Form (APPENDIX A)
3. Signed Agency Certification Form (APPENDIX H)
4. Table of Contents
5. Proposal Summary (Optional)
6. Response to Contract Terms and Conditions (from Section II.C.15)
7. Offeror's Additional Terms and Conditions (from Section II.C.16)
8. Response to Specifications (**except Cost information which shall be included ONLY in Cost Proposal**)
 - a. Organizational Experience
 - b. Organizational References
 - c. Oral Presentation (if applicable)
 - d. Mandatory Specifications
(Including Mandatory Specification Information Form, APPENDIX G)
 - e. Desirable Specifications
 - f. Financial Stability – (Financial information considered confidential, as defined in Section I.F. and detailed in Section II.C.8, should be placed in the **Confidential Information** file, per Section III.B, as applicable)
 - g. New Mexico/Native American Resident and Resident Veteran Preferences (if applicable)
9. Other Supporting Material (if applicable)

Cost Proposal

1. Completed Cost Response Form (APPENDIX C)

A Proposal Summary may be included in Offeror's Technical Proposal, to provide the Evaluation Committee with an overview of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the Offeror's proposal. **DO NOT INCLUDE COST INFORMATION IN THE PROPOSAL SUMMARY.**

IV. SPECIFICATIONS

The awarded Offeror’s responses to Sections IV.B Technical Specifications & C. Business Specifications, will be included to define the scope of services in the resulting contract, at the discretion of the Agency.

A. DETAILED SCOPE OF WORK

Contractor will provide the State custody services in all matters concerning securities custody and settlement of investment transactions for the State. In performing its obligations, Contractor must ensure compliance with all applicable laws of the State of New Mexico. Contractor represents that it is an expert in providing custody services, safekeeping services, servicing for securities and other instruments, and all other services as outlined in this Section IV.A. In addition to its fiduciary obligation as a master custodian under applicable federal and State law, the Contractor agrees that it shall at all times exercise at least that degree of care and competence as would a professional expert in the field of providing the services outlined in this Section.

The State Treasurer’s Office (“STO”) has eight institutional custody accounts, with assets totaling \$19.9 billion as of June 30, 2025. Assets are all high-quality, fixed income securities. A detailed listing of portfolio holdings can be found in the State Treasurer’s Investment Council (STIC) Reports, at the following link: <https://www.nmsto.gov/reports/stic>.

The table below provides summary details for each portfolio:

Portfolio	Total Assets (as of 6/30/25)	Primary Holdings
General Fund Liquidity	\$4.8 billion	U.S. Treasuries, U.S. Government Agencies and GSEs, Municipals, Corporates, Commercial Paper, U.S. Government Money Market Funds, Supranationals, Collateralized Demand Deposit Accounts and Certificates of Deposit, Floating and Variable Rate Demand Notes, Repurchase Agreements
General Fund Core	\$6.28 billion	U.S. Treasuries, Municipals, U.S. Government Agencies and GSEs, Commercial Paper, Corporates, Certificates of Deposit, Supranationals, U.S. Government Money Market Funds, Collateralized Demand Deposit Accounts, Floating and Variable Rate Demand Notes, Repurchase Agreements
Local Government Investment Pool Short Term	\$2.2 billion	Collateralized Demand Deposit Accounts and Certificates of Deposit, Floating and Variable Rate Demand Notes, Repurchase Agreements, U.S. Treasuries, Supranationals, and U.S. Government Agencies and GSEs
Local Government Investment Pool Medium Term	1.07 billion	U.S. Treasuries, U.S. Government Agencies and GSEs, Municipals, Corporates, Commercial Paper, U.S. Government Money Market Funds, Supranationals, Collateralized Demand Deposit Accounts and Certificates of Deposit, floating and Variable Rate demand Notes, Repurchase Agreements

Overnight Repo Pool	\$253 million	Overnight Repurchase Agreements
Bond Proceeds Portfolios		
Tax-Exempt Bond Proceeds	\$914.4 million	U.S. Treasuries, US Government Agencies and GSEs, Municipals, Corporates, Commercial Paper, U.S. Government Money Market Funds, Supranationals, Floating and Variable Rate Demand Notes, cash and cash equivalents, including collateralized demand deposit accounts
Taxable Bond Proceeds	\$1.1 billion	U.S. Treasuries, U.S. Government Agencies and GSEs, Municipals, Corporates, Commercial Paper, U.S. Government Money Market Funds, Supranationals, Floating and Variable Rate Demand Notes, Certificates of Deposit, Collateralized Demand Deposit Accounts, Repurchase Agreements
General Fund Tax and Revenue Anticipation Notes (TRAN) Portfolio	\$0**	U.S. Treasuries, Federal Agencies, Corporates, Commercial Paper, Government Money Market Fund, cash and cash equivalents, including collateralized demand deposit accounts
Severance Tax Bonding Fund	\$50.8 million	Repurchase Agreements, U.S. Treasuries, U.S. Government Agencies and GSEs, Municipals, Commercial Paper, Corporate, U.S. Government Money Market Funds, Supranationals Collateralized Demand Deposit Accounts and Certificates of Deposit, Floating and Variable Rate Demand Notes

*** The TRAN portfolio is used on a temporary basis to hold proceeds of short-term Tax and Revenue Anticipation Notes that are periodically issued and sold by the State Treasurer's Office pursuant to NMSA 1978, Section 6-12A-5.*

There were approximately 538 security positions held. There were 1,153 purchases, 51 sales, and 1,069 maturities in June 2025. Additionally, there were 3 bond calls, 9 dividends paid, and 49 redemptions during the same time period.

The Contractor will be required to accept a minimum of four daily incoming wires from the State's Fiscal Agent funding the Local Government Investment Pool account, the Overnight Repo Pool account, and a "net" wire that will fund the remaining portfolios. On average, STO initiates one outgoing wire of funds daily. All wire transaction instructions will be communicated to the Contractor through entry in the Contractor's online portal.

STO provides trade instructions for most trades through entry via the current Custody Bank's online portal. Instructions for trades involving some investment types, including private placements, must be communicated by email or phone. Some trades, especially those for new issuance securities, may be communicated several days or weeks in advance of settlement. To ensure smooth trade settlement, the Contractor must review trades as quickly upon receipt of instructions as possible to identify any errors well in advance of settlement.

The Contractor must provide a transmission of the State's daily holdings for upload to the Bloomberg Terminal service at the end of each Business Day. Daily holdings transmissions must include the collateral provided by counterparties to repurchase agreements.

The Contractor must provide robust and flexible reporting, including performance measurement, investment policy compliance, cash flows for variable rate and callable

securities, and net asset valuation. A description of the reports required by the State is including in APPENDIX F. The State also utilizes Broadridge Investment Accounting software (“BIA”) for tracking trade activity, holdings, and various other reporting needs, as well as G-Treasury and Bloomberg.

1. Relationship Management and Support

a. Regular Relationship Reviews

The Contractor will make key personnel available to meet with the Investing Agency on at least a quarterly basis. Should the Investing Agency experience any problems with the services provided, the Contractor must be willing to meet more frequently upon request.

b. Monitoring of Outstanding Issues

The Contractor must maintain a log of outstanding issues raised by the Investing Agency, including the date the issue was presented to the contractor, the current status of the issue, and date resolved.

c. Notice of Trade Failures and Other Settlement Issues

The Contractor must make reasonable efforts to review all pending trades in advance of settlement and notify the Investing Agency of potential trade settlement problems as early in the Business Day as possible, but no later than 10:30am Mountain Time.

d. Support Hours

Contractor will provide customer support to the Investing Agency until at least 5:00pm Mountain Time on each Business Day.

2. Safekeeping Services

a. General

The Contractor must provide safekeeping services and servicing for securities and other instruments belonging to or pledged as security to the State and delivered to the Contractor by or at the direction of the State. The Contractor must provide automated holding and control of all eligible securities throughout the safekeeping and settlement process. The Contractor must monitor maturities, call dates, and other corporate actions for securities. The Contractor shall file class action claims for the Investing Agency if eligible to participate in class action litigation. The Contractor shall provide statements of the State's holdings reconciled by internal personnel acting in accordance with the Contractor's reconciliation policies and procedures as of the end of the preceding month as soon as possible, but no later than the fifth (5th) business day of each month.

b. Separate Identification

The Contractor must keep all certificated securities deposited for safekeeping physically segregated from securities belonging to the Contractor and clearly identified on the records of the Contractor as belonging to the State. Uncertificated securities must be kept on the books of depositories, segregated on the books of Contractor, and clearly identified as belonging to the State.

c. Securities Lending Support Services

Upon prior written appointment by the Treasurer, which authorizes individual employees or Agents of the Investing Agency to instruct the Contractor concerning securities lending, the Contractor shall act as the third-party safekeeping financial institution with respect to any collateral received by the Contractor for the State in any existing or future securities-lending programs established by the Investing Agency. Except as expressly authorized pursuant to Section IV.A.11 herein, the Contractor shall not take part in any securities-lending transactions or program with any Investing Agency in any capacity other than as custodian of collateral.

d. Repurchase Agreements

The Contractor will hold collateral for the Treasurer's Board-approved short-term investment program and any existing or future repurchase agreement programs established by the Investing Agency. The Contractor must verify that securities received conform to any policy directives of the Treasurer.

- i. Payments for repurchase agreements must be executed by the Contractor only against contemporaneous delivery of collateral to contractor. At the maturity of the repurchase agreement, collateral shall be delivered by the Contractor only against the contemporaneous receipt of cash.
- ii. The Contractor must obtain delivery of the collateral securing each repurchase agreement and must hold the collateral as provided herein for the purpose of obtaining a perfected security interest in the collateral.

e. Accounts Set Up

- i. The Contractor will establish and maintain accounts (“Accounts”) as directed by the Investing Agency. At the request of the Investing Agency, additional Accounts may be opened or closed in the future.
- ii. In the event that the Investing Agency request the opening of any additional Account for the purpose of holding collateral pledged by the Investing Agency, to the extent such pledging is permitted by the Investing Agency’s governing law, to a securities exchange, clearing corporation, or other central counterparty (a “Counterparty”) to secure trading activity by the Investing Agency, or the

pledge to a Counterparty of cash or individual Securities held in an Account, that Account (or the pledged cash or Securities) shall be subject to the collateral arrangements in effect between the Investing Agency and the Counterparty in addition to the terms of this Agreement;

iii. The Contractor's obligation to open Accounts is conditional upon the Contractor receiving such of the following documents as Contractor may require:

1. A copy of the Investing Agency's governing law currently in force;
2. Contractor's signature card, completed by any persons designated by an Investing Agency with the authority to take action; and
3. In the case of any Account opened in a name not that of an Investing Agency, documentation with respect to that name similar to that set forth in sub-sections 1 and 2 above.

f. Acting on Instructions; Method of Instruction and Unclear Instructions

Subject to Security Procedure, the Contractor will be authorized by each Investment Agency to accept, rely upon and/or act upon any Instructions received by it without inquiry. Each Investing Agency intends to use automated and electronic methods of sending Instructions, where reasonably practicable.

The Contractor must within one (1) Business Day of receipt of an Instruction notify an Agent if the Contractor determines that an Instruction does not contain all information reasonably necessary for the Contractor to carry out the Instruction and request such Agent to provide what specific information is needed for the Contractor to carry out the Instruction. The Contractor may decline to act upon an Instruction if it does not receive the requested information. The Contractor will not be liable for any loss arising from any reasonable delay in carrying out any such Instruction after request for and pending receipt of that information or in declining to act upon any Instruction for which it does not receive the requested information.

g. Verification and Security Procedures

The Contractor and the Investing Agency must comply with any applicable Security Procedures with respect to the delivery or authentication of Instructions and shall ensure that any codes, passwords or similar devices are reasonably safeguarded.

h. Instructions; Contrary to Law/Market Practice

The Contractor must not act upon Instructions which it reasonably believes to be contrary to law, regulation or market practice, but the Contractor shall be under no duty to investigate whether any Instructions comply with applicable law or market practice. In the event the Contractor does not act upon such Instructions, the Contractor will

notify the Investing Agency within one (1) Business Day of receipt of the applicable Instruction.

i. Cut-Off Times

The Contractor will establish cut-off times for receipt of Instructions, which will be provided to the Investing Agency. The Contractor may update its cut-off times from time to time to respond to changing conditions upon seven (7) days' notice to the Board and the Investing Agency of any adverse change in cut-off time (or in the event that a change in cut-off time is necessary to respond to changes in external market conditions or requirements and the Contractor was not notified of such changes in external market conditions or requirements in time to give seven (7) days' notice, as much notice as is practicable under the circumstances). If the Contractor receives an Instruction after such established cut-off time, the Contractor will attempt to act upon the Instruction on the day requested if the Contractor deems it practicable to do so or otherwise shall do so on the next Business Day.

j. Miscellaneous Administrative Duties

i. Until the Contractor receives Instructions to the contrary, the Contractor will:

1. Present all Financial Assets for which the Contractor has received notice of a call for redemption or that have otherwise matured, and all income and interest coupons and other income items that call for payments upon presentation;
2. Execute in the name of the Investing Agency such certificates as may be required to obtain payment in respect of Financial Assets; and
3. Exchange interim or temporary documents of title held in the Securities Account for definitive documents of title.

ii. In the event that, as a result of holding Financial Assets in an omnibus account, the Investing Agency receives fractional interests in Financial Assets arising out of a Corporate Action or class action litigation, the Contractor will credit the Investing Agency with the amount of cash it would have received had the Financial Assets not been held in an omnibus account, and the Investing Agency shall relinquish to the Contractor its interest in such fractional interests.

If some, but not all, of an outstanding class of Financial Asset is called for redemption, the Contractor shall allot the amount redeemed among the respective beneficial holders of such a class of Financial Assets on a pro rata basis.

3. Security Settlement

- a. The Contractor shall provide automated settlement for eligible investments and electronic access to settlement data by the Investing Agency so that it may monitor trades. All trades affirmed by an Agent concerning securities transactions shall be settled in a timely manner according to industry standards in the prevailing market. Notwithstanding any other provision of the Agreement, all funds to be invested under the Agreement shall not be paid out unless there is a contemporaneous transfer of the securities at the earliest time industry practice permits, but in all cases, settlement of purchases and sales of marketable US securities shall be on a same day basis either by physical delivery or, in the case of uncertificated securities, by appropriate book entry on the books of the insurer, to the Contractor acting as agent for the Investing Agency; the Contractor shall furnish timely confirmation to the Investing Agency.

Credits for securities transactions shall be made on the actual settlement date and credits for investment income on Financial Assets (other than income on securities registered in the name of the State) shall be made, net of any taxes that are withheld by the Contractor or any third party, on payable date in immediately available funds pursuant to the industry standards in the prevailing market; provided, however, that the crediting of investment income on payable date shall be limited to those Financial Assets and/or markets for which the Contractor customarily offers such service (hereinafter "AutoCredit"). All credits to the State Accounts of anticipated proceeds of sales and redemptions of securities or other property and of anticipated income from such securities or other property shall be conditional upon receipt by the Contractor of final payment and may be reversed to the extent final payment is not received. At the direction of the Treasurer, these funds shall be transferred from the State Accounts to the State's general fund account with the Fiscal Agent. Paydowns of principal and receipt of interest on GNMA and other mortgage-backed securities shall be credited to the State Accounts on payable date, via AutoCredit. Should fails occur, the Contractor shall take reasonable steps to resolve them in a timely manner and in no event shall the Contractor transfer payment if a "fail to deliver" occurs. The Contractor must provide a copy of its settlement and affirmation procedures to the Investing Agency. When the AutoCredit service is not available, income on Financial Assets, net of any taxes withheld by the Contractor or any third party, will be credited only after actual receipt and reconciliation by the Contractor.

- b. The Contractor shall communicate the transfer and delivery of all securities received or delivered by it for the State by providing the Investing Agency with prompt electronic access to the online records of the Contractor for confirmation of settlement on settlement date. Daily statements of securities held shall identify the securities owned by the State which the Contractor is holding. The books and records of the Contractor shall at all relevant times reflect such ownership. Monthly written statements of securities held, reconciled by internal accountants, shall be provided by the Contractor to the Investing Agency. The Contractor also shall provide a permanent record of securities held for the Investing Agency.

- c. The Contractor shall provide a monthly report of securities-settlement activity and holdings to the Board and the Investing Agency, along with the Contractor's account analysis through the online reporting module.

4. Credit Availability, Scheduling, and Reporting

- a. Credit Availability. All funds received by the Contractor for credit to the State Accounts shall be credited in immediately available funds on payable date, subject to Section IV.A.3 herein.
- b. Scheduling. The Contractor shall provide to the Investing Agency from time to time a schedule of cutoff times for the receipt of various types of funds pertaining to investment transactions and the receipt of income. The Contractor shall provide to the Investing Agency a daily online report of all funds not received in the State Accounts by the appropriate cutoff time.
- c. The Contractor shall not complete any cash transaction for which there are not sufficient available funds in the applicable account to the extent the lack of funds is not Contractor's fault.
- d. Online reporting module. The Contractor shall provide a reporting module available to the Investing Agency via the internet. At a minimum, the online reporting module must make available electronic copies of all account statements and reports generated for the Investing Agency and provide the ability to run ad hoc transaction and holdings reports. The Investing Agency must have the ability to modify user permissions within the online reporting module as necessary.
- e. Daily reporting. The Contractor shall provide an automated internet link from the electronic records of the Contractor to the Investing Agency to convey current-day information about all phases of securities trades. These reports, and the updated online statement of assets that reflects securities trades, shall identify the securities owned by the State, which the Contractor is holding. The daily reports shall reflect both book and market values of each security and be available for ad hoc retrieval upon request by the Investing Agency. The reports shall be in a mutually-agreed-upon flexible format that allows customized reports for multiple fund managers and for special-purpose reporting. The reports of the previous day's activity shall include purchases, sales, cash inflows and outflows, cash balances in summary and detail, pending settlements, trade fails, and Corporate Actions. As backup data, the daily reports shall also be available within forty-eight (48) hours upon request by the Investing Agency. The daily reports shall include, at a minimum, the following information:
 - i. Prior day's balance in each State Account including the ledger balance, debits and credits to the account, the collected balance and the available balance;
 - ii. The total dollar amount and total items credited or debited to each State Account during the prior day. Upon request, a hard-copy confirmation of all

funds transferred into the State Accounts, showing the time received by the Contractor, will be provided to the Investing Agency;

- iii. A confirmation of all funds transferred showing time received by the Contractor; and
 - iv. A statement of assets and securities held.
- f. Monthly and annual reports. The Contractor will send hard-copy or electronically transmitted reports, reconciled by internal operations personnel in accordance with the Contractor's standard reconciliation procedures, to the Investing Agency at monthly and annual intervals. These reports shall include at least a statement of assets, a statement of investment transactions occurring during the reporting period, and a statement of cash flows to and from the State Accounts during the reporting period. A description of the reports required by the State is included in APPENDIX F.

5. State Treasurer's Information

- a. The Contractor will provide the Treasurer and the Board online monthly reports showing the average daily collected custody account balance for the previous month.
- b. The Contractor will, upon request by the Treasurer, provide a hard-copy or online report of all transactions occurring in each State Account to the Treasurer.
- c. The Contractor must maintain at all times backup records for the State Accounts acceptable to the Treasurer.
- d. The Contractor shall provide a summary of its disaster recovery-plan to the Treasurer and the Board and, upon request, will meet with the Treasurer and the Board to discuss the plan.
- e. Upon request by the Treasurer, the Contractor shall provide such further information, as is currently available, on the Contractor's reporting system.

6. Investment Portfolio Analysis

The Board or the Investing Agency may, from time to time, request the Contractor to provide additional services in the form of analysis of earnings and other performance data on the various investment funds.

7. Other Services

- a. Wire Transfer Service
 - i. The Contractor shall provide funds transfer services to the Fiscal Agent via Fedwire (the Federal Reserve Bank wire system) as instructed by the Treasurer.

Funds wired must be in immediately available funds. All requests for wire transfers shall be executed in a timely and customary manner, in compliance with industry standards.

- ii. Incoming wire transfers shall be credited by the Contractor to the appropriate State Account the same day it is received. The receipt of transferred funds shall be noted on the electronic reporting system for the day the funds were received.

b. Account Activity Analysis

- i. The Contractor shall provide to the Investing Agency and the Board by the fifteenth (15th) business day of each month an account analysis for each State Account showing activity for the preceding month in each category and the fee for each service. The Board shall pay those charges to the Contractor in direct fees.
- ii. The Contractor will provide the Board with a semiannual audit report of an independent certified accountant firm on the control structure, policies and procedures, including its custody accounts of Contractor as the service organization defined by the Statements on Standards for Attestation Engagements No. 16 (SSAE 16). The Contractor shall bear the cost of providing such SSAE 16 report to the Board.
- iii. The Contractor shall provide record keeping for external short-term investment funds for the State.
- iv. The Contractor shall have a system that will provide unitized accounting for multiple custodial accounts being pooled into one master account that is then allocated to several separate funds.

c. Fund Accounting Services

- i. Contractor shall determine the net value of the assets and liabilities of a Fund (including securities out on a loan and excluding collateral held therefor) in accordance with the following rules (the "Valuation Rules")
 - 1. Publicly traded securities for which a price is readily available shall be reported based upon information and financial publications of general circulation, generally available statistical and valuation services, and records of security exchanges, or from quotes from brokers customarily used by Contractor for security pricing purposes;
 - 2. Units or shares in investment companies subject to the Investment Company Act of 1940 ("40 Act") ("Mutual Funds"), shall be reported at the most recently announced net asset value pursuant to regulations under the 40 Act;

3. Units or shares in limited liability companies, or other funds other than Mutual Funds (each, together with units or shares of investment companies, a “Fund”) or Group Trusts shall be reported at their most recent asset value or other unit or share value stated by the Fund or its operator;
 4. Units in Group Trusts shall be reported at the value stated by the trustee of the Group Trust;
 5. Contracts of a type that Contractor, acting reasonably, determines to be an over-the-counter derivative (“OTC Derivative Contracts”) shall be reported at the price provided by the applicable Investment Manager or by a vendor selected by that Investment Manager or the Company; and
 6. Other Securities shall be reported at prices certified by the applicable Investment Manager or at the price provided by a vendor or appraiser selected by the Investment Manager, the Company, or the Trustee.
- ii. For Funds that maintain a unit value, the Fund's unit value shall be the result obtained by dividing the net value of the Fund's assets and liabilities by the number of existing units of the Fund. In determining unit value, fractions will be taken to two or four decimal places, as agreed upon with Customer. Unit value shall be determined as of each valuation date before taking into account additions to and withdrawals from the Funds occurring as of such valuation date. At the direction of the Investing Agency, Contractor may make a uniform change on any valuation day in the value of all outstanding units of a Fund, either by creating a larger number of smaller units or a smaller number of larger units pro rata across all unit holders.

8. Collection of Funds

- a. The Contractor shall act as the collection agent for income, including interest, dividends, and principal of securities of the State Accounts. All such amounts collected shall be credited in immediately available funds on payable date, via AutoCredit, to the appropriate State Account.
- b. The Contractor shall provide, at its own expense, a collection service including postage and insurance on investment transactions requiring special handling, provided, however, that such collection services shall be limited to Financial Assets registered in the name of the Investing Agency, Contractor, a Securities Depository or their respective nominees.

9. Transaction Reporting

- a. The Contractor will provide, at its own expense, any specially designated custody account forms it requires for the affirmation and confirmation of trades, transfers and settlements to the Treasurer as needed.

- b. Online access shall include online inquiry for current day activity. The Contractor will provide online interface with the State and the Investing Agency and its fund managers through its electronic online access system. Online information shall include pending and settled trades, holdings, and transaction history. The Contractor will resolve any fails in a timely manner. The Contractor shall provide to the Investing Agency online access, through this or a successor system, including equipment and software acceptable to the State required to support such access (i.e., compatible with the State's personal computers) to monitor, authorize, and execute transfer of funds for security settlements between the Investing Agency and the Contractor.
- c. In the event the Investing Agency subscribes to the Contractor's performance evaluation services, daily investment performance should be available online and be accessible by the Investing Agency's staff no later than 8:00 am prevailing Mountain Time the following Business Day.

10. Commingled Short-Term Investment Funds

The Investing Agency may, if permitted by applicable New Mexico law, and upon authorization in writing by the Board's Contract Administrator, direct the Contractor, which direction shall be in writing in a form as required by the Contractor, to transfer assets held hereunder to a collective or commingled trust fund, to be held and invested subject to the terms and conditions thereof, and the Investing Agency agrees to be bound by the terms and conditions of such trust, or to invest in a regulated investment company for which the Contractor or its affiliate is advisor. The Investing Agency shall notify the Board Contract Administrator upon entry into or withdrawal from such a fund.

11. Securities Lending

At its option, the Investing Agency may authorize the Contractor to lend securities of its Account held by the Contractor pursuant to a separate written agreement between the Contractor and the Investing Agency resulting from a proper procurement process by the Investing Agency, provided that the Investing Agency shall not execute such separate written agreement until it has initiated and completed such proper procurement process. The terms of the separate written agreement shall be consistent with the Federal Financial Institutions Examination Council Supervisory Policy on Securities Lending. The separate written agreement shall direct the Contractor to enter into lending agreements with the borrower or borrowers and the Contractor shall transfer securities to the borrower and invest any cash collateral (and hold any non-cash collateral) received in exchange for securities, but in no event shall the Contractor or its holding company act as a borrower in such a transaction, nor shall the Contractor invest the Investing Agency's cash collateral in its own liabilities or those of its holding company. Notwithstanding anything in the Agreement to the contrary, the right to vote securities out on loan on record date passes to the borrower, or a transferee of the borrower, as a consequence of the transfer of title to the securities to the borrower. The Contractor shall maintain a record of the market value of the

loaned securities and shall receive reasonable compensation as agreed upon in the separate written agreement between the Contractor and the Investing Agency.

12. Class Actions Services

- a. The Contractor shall assist the Investing Agency in processing class action settlement claims associated with any investment securities owned by the State with respect to claim periods for which the Contractor or any prior custody bank or other entity with possession of data is the holder of record relating to those securities. Further, upon expiration or termination of the Agreement, the Contractor shall agree to provide any necessary records or data in its possession to the successor custody bank as to any pending, future or potential class action claim or settlement regarding such investment securities.
- b. Subject to the foregoing paragraph of this Section IV.
- c. A.12.a., the Board and the Contractor agree as follows:
 - i. The Contractor will assist the Investing Agency in performance of these services.
 - ii. The Contractor will use good faith efforts to file proofs of claim on behalf of the Investing Agency, for claims where (a) eligible transactions occurred during the period that Contractor was custodian, or (b) transaction data was provided to Contractor in an agreed upon format, provided that, in the case of either (a) or (b), the deadline for filing a claim is not less than 30 days after the effective date of this Section IV.A.12.
 - iii. The Contractor shall have no responsibility for the timeliness, accuracy, authenticity, validity or completeness of data provided to it by any source used for this purpose.
 - iv. The Contractor will forward monthly, quarterly, and annual status reports to the Investing Agency for its records. The Contractor will use reasonable efforts to reconcile proceeds with expected proceeds, but shall have no duty to or responsibility to track the status of pending claims or to pursue proceeds from a litigation agent.
 - v. In the event the Contractor receives any deficiency or rejection notices from litigation agents in connection with a claim filing (other than a minor deficiency which it determines that it can readily cure), it will use reasonable efforts to forward such notice to the Board and the Investing Agency. The Contractor shall take no further action with respect to a claim filing that has been deemed deficient or rejected by a litigation agent until instruction by the Investing Agency as provided herein.

13. Investment Performance Reporting and Compliance Services

At the written request of the Investing Agency, the Contractor will provide on a monthly basis the following services:

- a. Performance reporting on rates of return compared to benchmarks, portfolio analytics and rate comparisons for pricing and accounting methodology.
- b. Compliance analysis with asset allocation, diversification limits and investment policy restrictions through an online service.

14. Notifications

If the Investing Agency has agreed to access information concerning the Accounts through the Contractor's website, the Contractor may make any notifications required by posting it on the website.

15. No Overdrafts

As a rule, the Investing Agency will manage the Accounts so that no debit balance of any Cash Account occurs, and the Investing Agency will direct each of its Agents responsible for directing transactions affecting the Account to do so.

If a debit to any currency in the Cash Account results in a debit balance, then the Contractor may, in its discretion, (i) advance an amount equal to the overdraft, (ii) refuse to settle in whole or in part the transaction causing such debit balance, or (iii) if any such transaction is posted to the Securities Account, reverse any such posting. If the Contractor elects to make such an advance, the advance will be payable on demand.

16. Corporate Actions Services

- a. The Contractor will act in accordance with local market practice to obtain information concerning Corporate Actions that is publicly available in the local market. The Contractor also will review information obtained from sources to which it subscribes for information concerning such Corporate Actions. The Contractor will promptly provide that information (or summaries that accurately reflect the material points concerning the applicable Corporate Action) to the Investing Agency or its Agent.
- b. The Contractor will act in accordance with Instructions in relation to such Corporate Actions. If the Investing Agency fails to provide the Contractor with Instructions within the time period set by the Contractor with respect to any Corporate Action, neither the Contractor nor its nominees will take any action in relation to that Corporate Action, except as otherwise agreed in writing by the Contractor and the Investing Agency or as may be set forth by the Contractor as a default action in the notification it provides under paragraph 1 above with respect to that Corporate Action.

17. Proxies

- a. The Contractor will monitor information distributed to holders of Financial Assets about upcoming shareholder meetings, promptly notify the Investing Agency of such information and, subject to subsection (3) below, act in accordance with the Investing Agency's Instructions in relation to such meetings ("the Proxy Voting Service").
- b. Provision of the Proxy Voting Service is conditional upon receipt by the Contractor of a duly completed enrolment form as well as additional documentation that may be required for certain markets.
- c. The Proxy Voting Services does not include physical attendance at shareholder meetings. Requests for physical attendance at shareholder meetings can be made but they will be evaluated and agreed to by the Contractor on case-by-case basis.
- d. The Investing Agency acknowledges that the provision of the Proxy Voting Service may be precluded or restricted, upon one (1) Business Day's notice to the Investing Agency, under a variety of circumstances.

B. TECHNICAL SPECIFICATIONS

Contractor's responses in this section must state the question or requirement in its proposal and provide a corresponding answer.

The awarded Offeror's responses in this section will be included to define the scope of services in the resulting contract, at the discretion of the Agency.

1. Organizational Experience

Offeror **must**:

- a) Provide a detailed description of relevant experience with state and local governments. The experience of all proposed subcontractors must be described. The narrative **must** thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the number of years the Offeror has been providing these services and the extent of their experience, expertise, and knowledge as a provider of Institutional Custody services.
- b) Discuss the Offeror's community involvement within the state of New Mexico.
- c) Describe the Offeror's project experience in the state of New Mexico, including a discussion of how the Offeror may have to adjust its approach to meet the unique needs of the State.
- d) Provide a brief resume of all key personnel Offeror proposes to use in performance of the resulting contract, should Offeror be awarded. Key personnel is identified as

individuals working directly with the Agencies that are responsible for the implementation, development, ongoing support, customer service, and overall project management responsibilities. Resume must include the key personnel’s proposed role, location, education, work experience, number of years employed by the Offeror, number of client relationships the individual is responsible for supporting, and contact information (phone and email).

- e) Fill in the following table for all key personnel that will work with the SBOF on a regular basis. Add columns if necessary.

Information Requested	
Name	
Proposed Role	
Location	
# of Years of Experience Working with other Governmental Entities	
# of Years in Industry	
# of Years with Offeror	
# of Client Relationships Supported	

- f) Provide an organizational chart that includes all key personnel.
- g) Describe the planned meeting frequency between the Investing Agency and the project team supporting the State. Include a typical meeting agenda for these meetings.
- h) What office or location will provide custody services for the Agency?
- i) Describe your proposed approach for handling day-to-day operational issues encountered by the Agency. Will a specific customer service representative or a customer service department be assigned?
- j) Describe your ability to provide support to State employees attempting to utilize the portal to make trades. By what methods (phone, chat, etc.) can employees contact customer service for support?
- k) Identify the technical resources, including but not limited to programming experts, available to work on site development, set-up, file transfer, testing, and troubleshooting/issue resolution.
- l) Provide the hours of operation for each individual or unit involved in providing customer support and technical support for the proposed services.
- m) Will the Offeror provide customer support to the Agency until at least 5:00 pm MT?

- n) Describe at least two successes and failures of Institutional Custody projects for state and local governments. Include how each experience improved the Offeror's services.

2. Organizational References

Three (3) external references from similar projects/programs, performed for private, state, or large local government clients within the last three (3) years should be received by the designee identified on APPENDIX E, Organizational Reference Questionnaire ("Questionnaire"). Any submitted references must be received by the deadline stated on APPENDIX E.

The references to whom the Offeror provides the Questionnaire **must submit the Questionnaire directly to the designee identified on APPENDIX E. The references must not return the completed Questionnaire to the Offeror.** It is the Offeror's responsibility to ensure the completed Questionnaires are submitted **on or before the deadline stated on APPENDIX E. NO LATE QUESTIONNAIRES CAN BE ACCEPTED.**

Offerors are encouraged to request that their chosen references provide detailed and informative comments.

The Offeror, itself, does not need to submit anything for this Specification in its proposal. The Offeror may, if it chooses, include a list of all organizations to whom Offeror sent the Organizational Reference Questionnaire (APPENDIX E).

3. Mandatory Specifications

- a) Attestation of Compliance with Statutory Requirements for Custody Bank Designation
The Offeror must attest by signing below the Statement of Concurrence provided in APPENDIX G that it meets the qualifications and requirements to be designated custody bank as defined in 2.60.7.9 NMAC. The relevant section of NMAC is included in Section I.B., Background Information.
- b) Agreement to Perform Detailed Scope of Services
The scope of services shall consist of the services defined under Section IV.A. The Offeror must agree to perform the scope of services as defined by providing a signature below the statement of concurrence to perform the scope of services in APPENDIX G.

Note, an Offeror's passing this mandatory requirement does not constitute SBOF's acceptance of any changes to the services defined under Section IV.A. or alternate language that may be proposed by the Offeror. Upon the SBOF authorizing staff to negotiate with a successful Offeror, the SBOF may or may not accept any proposed alternative language in the executed contract.

- c) Organization, Conflict of Interest, and Ability to Comply with Scope of Procurement
Offeror shall describe its organization and service capabilities within the scope of work in detail. Offeror must provide detail on where its capabilities comply, partially comply, and do not comply with the requirements of this RFP's scope of work. Offeror must identify any existing conflicts of interest that would impact its ability to comply with the scope of work. Offeror must provide this information in APPENDIX G.
- d) Evidence of Work
The Offeror must provide a list of public entities with which it has contracted in the last three years to provide institutional custody services.
- e) Capacity to Provide Institutional Custody Services
Offeror must provide answers to each of the following questions to indicate its ability to provide institutional custody services that meet the desire of the Agency.
- 1) List the total number and market value of institutional custodian accounts as of December 31 for the following years: 2022, 2023, and 2024. Provide your response in the table below.

Year	Number of Institutional Custodian Accounts	Market Value of Institutional Custodian Accounts
2019		
2020		
2021		

- 2) Provide a listing of cut-off times for notification of fixed income security transactions. Specify if the cut-off times vary for different types of securities. Provide details of cut-off times for same-day fixed-income trades.

	Cutoff Time
Fed Book Entry	
DTC	

- 3) When does the Offeror credit interest, dividends and maturities?

	Credited
Interest	
Dividends	
Maturities	

- 4) Describe of the Offeror's procedures for receiving, recording, and reconciling trade instructions. Include deadlines for each step in the process.
- 5) What steps does the Offeror take to ensure trade data received is accurate and adequate for settlement?
- 6) When trade instructions are provided for a future-dated settlement (e.g., new issuance securities), does the Offeror review the trade immediately upon receipt to identify and reconcile any discrepancies?
- 7) If future-dated trade instructions are not reviewed immediately upon receipt, what is the Offeror's timeframe for reviewing these trades?
- 8) Will the Offeror review all trades and notify the State of any pending issues or failure prior to 10:00am MT on the settlement date?
- 9) Will the Offeror notify the Agency if a debit to any currency in the Cash Account results in a debit balance? How will the Offeror work with the Agency to resolve the issue?

10) Trade Settlement

- i. Are security transactions settled on an actual or contractual basis?
- ii. If the settlement is on an actual basis, how will the Offeror compensate the Agency for float?

11) What accounting method does the Offeror use to report the sale of a CUSIP with multiple lots (e.g., First in First Out (FIFO) or Last in First Out (LIFO))?

12) Is the Offeror able to sell specific lots if indicated by the Agency?

13) Does the Offeror have an interface with Bloomberg that could facilitate the electronic transmission of trade details?

- i. What data communications options are available for the Agency to receive a daily holdings file for upload to Bloomberg?
- ii. Once instructed of trades for new issue securities, can the Offeror include these pending trades in the daily reporting file for Bloomberg in the days leading up to settlement?
- iii. Can the offeror interface with the Agency's investment accounting software, Broadridge Investment Accounting Version *V2018-01.19365.946ab88e (10/08/2020T16:38:11) qedcma*, provided by Broadridge Financial Solutions, formerly QED?

14) Securities with Pending Corporate Actions

- i. Can the Offeror indicate in its reporting the call status of a security once a notice of redemption has been issued but prior to the actual call date?
- ii. Does the projected cash flow reporting provided by the Offeror reflect early redemption activity once notice of redemption has been issued?

15) Describe any sub-custodial arrangements that would be used for **domestic, fixed income securities** belonging to the Agency, if applicable. Which entity will be the primary recordkeeper, and how will the Offeror ensure that the two custody systems stay in sync?

16) Wire Transfers

- i. Can the Offeror accept a single wire with funds to be directed into multiple custody accounts? How can the Offeror accept instructions for allocating combined wires amongst accounts?
- ii. If the Agency is depositing additional funds into the custody account, what advance notification by the Agency is required?
- iii. If notification of deposit is required, what methods can the Agency use to notify the Offeror about incoming wires (phone, email, fax, online)?
- iv. How will the Offeror confirm receipt of the wire?
- v. What methods are available to the Agency to initiate a wire transfer of funds out of the custody accounts?

17) Reporting & Online Access

- i. Provide samples of the standard reports the Offeror would make available to the Agency as an Appendix to the proposal.
- ii. Does the Offeror own the software that performs reporting analytics? If reporting analytics are provided by a third party, state the name and length of the relationship the Offeror has maintained with the third party.
- iii. Does the Offeror provide transaction and holding information to clients through an online/inquiry reporting service?
- iv. Are customizable reports available?
- v. How many days after month-end are statements available?

- vi. What pricing sources does the Offeror use for market valuation of securities?
- vii. What methods are available for calculating unrealized gains and losses on securities with an early call option that is “in the money”? Does the Offeror have the ability to compute gains/losses assuming the call is exercised?
- viii. Will the Offeror obtain market value pricing for zero coupon bonds (e.g., commercial paper, federal discount notes)?
- ix. If the Offeror will not obtain market value pricing for zero coupon bonds, what will the Offeror report on the monthly statements?
- x. Can transaction, holding, and other reporting information be exported to Excel?
- xi. Can reports be generated based on both trade and settlement dates?
- xii. Indicate if the below listed security details are tracked in the custody system and available for electronic reporting:

	Yes/No
CUSIP / Ticker Symbol	
S&P Credit Ratings	
Moody’s Credit Ratings	
Original Purchase Date	
Maturity Date	
Next Call Date	
Coupon	
Yield-to-Maturity	
Yield-to-Worst	

- xiii. For securities without a rating, or where a rating is unavailable, (i.e., some Commercial Paper and Municipal Bonds), can a value be assigned to prevent the aggregate portfolio rating from being negatively impacted?
- xiv. Where issue-level ratings are not available, can the Offeror provide the credit rating for the issuer instead?

- xv. How soon after trade execution does the pending trade appear in the system?
- xvi. Describe the Offeror's investment policy compliance tracking capabilities.
- xvii. Does the Offeror offer performance reporting services?
- xviii. Does the Offeror offer attribution analysis?
- xix. Does the Offeror provide online user profile management tools that allow the Agency to update user accounts and entitlements? Describe the user account actions that can be performed through the online reporting portal.

18) Overnight Repurchase Agreements

- i. Describe the Offeror's process for capturing and reporting overnight and term repurchase agreement transactions.
- ii. If a dealer calls a portion of collateral held as part of a term repurchase agreement, how does the Agency provide the details of the returned collateral to the Offeror? Can this information be entered through the online portal?

19) Investment Sweep

- i. What short-term investment vehicle(s) does the Offeror propose to use for the overnight sweep in the Agency's custody accounts?
- ii. What time of day is the cash sweep deadline?
- iii. Is the sweep option automated?
- iv. If the sweep option is not automated, what process does the Offeror use to ensure cash balances are invested?
- v. If the Offeror is proposing a money market fund, identify the class of shares, including ticker symbol or CUSIP, of which is being proposed.

f) Service Implementation & Transition

Offeror must provide answers to the following questions to detail its approach and ability to implement its services and provide technical support or development on an ongoing basis.

- 1) Provide a detailed conversion plan for implementing institutional custody services upon award to the Offeror. Include an estimate of the amount of effort required by the Agency's staff.

- 2) How long does the Offeror expect the transition of services to last?
- 3) It is likely that many or all transition activities will need to be undertaken virtually, with limited or no in-person meetings. What challenges does the virtual environment present to transitioning services and how does the Offeror propose to ensure a timely transition of services?
- 4) Provide the names and roles of each individual that will be responsible for coordinating the transition of the proposed services.
 - i. If a conversion team is used, how will the Agency's account be transitioned to the ongoing relationship and client service team?
 - ii. How many implementations has this individual or the conversion team been involved in over the past year?

g) Security, Controls & Business Resiliency

Offeror must provide answers to each of the following questions to ensure the ability to provide institutional custody services in a secure environment and maintain availability of the service.

- 1) Discuss the Offeror's security environment related to cybersecurity. Specifically describe the cyber risks to which the proposed services may be exposed and explain your approach and response to protect against these risks.
- 2) How does the Offeror ensure cybersecurity and hedge against and address fraud?
- 3) Describe the Offeror's backup and recovery capabilities in the event the proposed systems are unavailable.
- 4) How would the Offeror notify the Agency of any planned and unexpected service outages?
- 5) Will the Offeror maintain and furnish the following bonding requirements at its own expense for the term of the contract: banker's blanket bond per occurrence coverage in a minimum amount of fifty million dollars (\$50,000,000) and additional coverage for electronic computer crime losses in the minimum amount of twenty-five million dollars (\$25,000,000) per occurrence?
- 6) Has the Offeror experienced any security breaches within the last 5 years that impacted Custody Bank services? If so, describe how the breach was resolved and steps taken to prevent a similar breach from occurring in the future.

4. Desirable Specification

a) New & Enhanced Services & Community Services & Involvement

Offeror should provide a discussion of any new services or ideas for enhancements, related to the scope of work, that may be beneficial to the Agency (e.g., process improvements, implementation of new tools or software, security enhancement to address fraud protection). Additionally, the Offeror should provide a discussion of any community-based initiatives or programs it offers within the State of New Mexico (e.g., financial literacy, supporting disadvantage populations) and other community involvement.

C. BUSINESS SPECIFICATIONS

The awarded Offeror's responses in this section will be included to define the scope of services in the resulting contract, at the discretion of the Agency.

1. Financial Stability

a) Provision of Financial Statements

Offerors should submit copies of the three (3) most recent years of independently audited financial statements. The submission shall include the audit opinion, the balance sheet, and statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist for the Offeror, the Offeror must state the reason and, instead, submit sufficient information (e.g., Dun & Bradstreet report). At a minimum, the Offeror should provide metrics, such as revenue growth, asset and liability information, cash flow, and balance sheets. **Financial statements should be provided as PDF documents included as part of the Offeror's Technical Proposal submission.**

b) Performance History

Offeror must provide responses to the following questions. Offeror's responses in this section must state the question or requirement in its proposal and provide a corresponding answer.

- 1) For how long has the Offeror been providing investment custody services to government entities?
- 2) Provide details of any mergers, sales, or acquisitions undertaken by the Offeror during the preceding seven years.
- 3) Disclose any regulatory actions from a regulatory body within the last seven years.

2. Letter of Transmittal Form

The Offeror's proposal **must** be accompanied by the Letter of Transmittal Form located in APPENDIX D. The form **must** be completed and must be signed by the person authorized to obligate the company. **Failure to submit a signed form will result in Offeror's disqualification.**

3. Campaign Contribution Disclosure Form

The Offeror must complete an unaltered Campaign Contribution Disclosure Form and submit a signed copy with the Offeror's proposal. This must be accomplished whether or not an applicable contribution has been made. (See APPENDIX A). **Failure to complete and return the signed, unaltered form will result in Offeror's disqualification.**

4. Oral Presentation

If oral presentations are held, finalist Offeror(s) may be required to explain, demonstrate, detail, and/or clarify any aspect of its submitted proposal, to which the Evaluation Committee may ask questions and/or seek clarifications. Pursuant to Section II.B.7, Oral Presentations may held at the sole discretion of the Evaluation Committee.

5. Cost

Offerors must complete the Cost Response Form in APPENDIX C and provide a completed copy of the Pricing Pro Forma Response Form included therein.

6. New Mexico/Native American Resident Preferences

To ensure application of § 13-1-21 NMSA 1978 (as amended), an Offeror **MUST** submit a copy, in this section, of its valid New Mexico/Native Resident Preference Certificate or its valid New Mexico/Native American Resident Veteran Preference Certificate, as issued by the New Mexico Taxation and Revenue Department.

V. EVALUATION

A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point values assigned to each. These weighted factors will be used in the evaluation of individual potential Offeror proposals by sub-category.

Table 1: Evaluation Point Summary

Evaluation Factors <i>(Correspond to section IV.B and IV C)</i>	Points Available
B. Technical Specifications (760 total points)	
B.1. Organizational Experience	90
B.2. Organizational References	30
B.3. Mandatory Specification (600 total points)	
B.3.A. Attestation of Compliance with Statutory Requirements for Custody Bank Designation	Pass/Fail
B.3.B. Agreement to Perform Detailed Scope of Services	Pass/Fail
B.3.C. Organization, Conflict of Interest, and Ability to Comply with Scope of Procurement	60
B.3.D. Evidence of Work	35
B.3.E. Capacity to Provide Institutional Custody Services	350
B.3.F. Service Implementation & Transition Time	80
B.3.G. Security, Controls, & Business Resiliency	75
B.4. Desirable Specification (40 total points)	
B.4.A. New Services & Enhancements	40
C. Business Specifications (375 total points)	
C.1. Financial Stability (40 total points)	
C.1.A. Provision of Financial Statements	Pass/Fail
C.1.B. Performance History	40
C.2. Letter of Transmittal	Pass/Fail
C.3. Campaign Contribution Disclosure Form	Pass/Fail
C.4. Oral Presentations (Optional)	135
C.5. Cost	200
TOTAL POINTS AVAILABLE	1,135
C.6.A. New Mexico/Native American Resident Preference - Resident Vendor	80
C.6.B. New Mexico/Native American Resident Veteran Preference (Points per Section IV.C.6)	100

B. EVALUATION FACTORS

1. B.1 Organizational Experience (See Table 1)

Points will be awarded based on the thoroughness and clarity of Offeror's response in this Section. The Evaluation Committee will also weigh the relevancy and extent of Offeror's experience, expertise and knowledge; and of personnel education, experience and certifications/licenses. Points will be awarded for the Offerors that provide dedicated resources and demonstrate the capacity to support the services provided. In addition, points will be awarded based on Offeror's candid and well-thought-out response to successes and failures, as well as the ability of the Offeror to learn from its failures and grow from its successes.

2. B.2 Organizational References (See Table 1)

Points will be awarded based upon an evaluation of the responses to a series of questions on the Organizational Reference Questionnaire (APPENDIX E). Offeror will be evaluated on references that show positive service history, successful execution of services and evidence of satisfaction by each reference. References indicating significantly similar services/scopes of work and comments provided by a submitted reference will add weight and value to a recommendation during the evaluation process. Points will be awarded for each individual response up to 1/3 of the total points for this category. References not received by the stated deadline on APPENDIX E will earn zero (0) points. For example: if two (2) references are received, the Offeror would only be eligible for a maximum of two-thirds (2/3) the total available points.

The Evaluation Committee may contact any or all business references for validation of information submitted. If this step is taken, the Procurement Manager and the Evaluation Committee must all be together on a conference call with the submitted reference so that the Procurement Manager and all members of the Evaluation Committee receive the same information at the same time.

3. B.3 Mandatory Specifications

- a) Attestation of Compliance with Statutory Requirements for Custody Bank Designation
Pass/Fail only. To pass this mandatory specification, the Offeror must attest by signing below the Statement of Concurrence provided in **APPENDIX G**.
- b) Agreement to Perform Detailed Scope of Services
Pass/Fail only. No points assigned. To pass this mandatory specification, the Offeror must attest by signing below the Statement of Concurrence provided in **APPENDIX G**.
- c) Organization, Conflict of Interest, and Ability to Comply with Scope of Procurement

Points will be awarded based on evaluation of Offeror's organization and extent and relevance of service capabilities as applicable to the scope of this RFP, including detail on where Offeror's capabilities to comply, partially comply, and do not comply; whether any existing conflicts of interest may affect the Offeror's ability to comply with the scope of work and the magnitude of any conflicts; and Offeror's description of how expediently and reasonably concurrent conflicts would be handled. This information must be provided in **APPENDIX G**.

d) Evidence of Work

Points will be awarded based on the relevancy and extent of Offeror's recent experience providing institutional custody services to other clients.

e) Capacity to Provide Institutional Custody Services

Points will be awarded based on evaluation of the Offeror's capability to provide institutional custody services. Such evaluation will take into account the quality and thoughtfulness of responses to the specific questions posted in Section IV.B.3.e, as well as flexibility in meeting the customized needs of STO. Factors include:

- Expansiveness of experience as it relates to market value of accounts
- Flexibility, timeliness, and appropriateness for STO of cut-off times, offering of credit interest, dividends and maturities, and settlement and trade review timelines
- Clarity and efficiency of procedures, trade review, and reconciliation
- Appropriateness, as it relates to STO business procedures, of accounting methods and settlement basis
- Capacity, flexibility and transparency of trade reconciliation to meet the needs of STO and its existing practices
- Transparency and capacity of any programs, online tools, or other platforms used in providing the scope of services, including standard and customized reporting
- Flexibility and responsiveness as it relates to wire transfers (acceptance, timing, notifications, methods of initiation, etc.)
- Variety and appropriateness of pricing sources and methods
- Relevancy, customization, and flexibility of reporting and reporting tools
- Efficacy of procedures relating to overnight repurchase agreements
- Appropriateness, timeliness, and efficiency of investment sweep processes.

f) Service Implementation & Transition

Points will be awarded based on evaluation of the relevancy, comprehensiveness, and efficiency of Offeror's approach to implementing services and providing technical support on an ongoing basis. Such evaluation will take into account the responses to the specific questions posted in Section IV.B.3.f.

g) Security, Controls, & Business Resiliency

Points will be awarded based on evaluation of the Offeror's security environment and ability to provide services in the event of planned or unexpected disruptions. Such evaluation will take into account the responses to the specific questions posed

in Section IV.B.3.g. The Evaluation committee will also weight the extent of the Offeror's insurance and coverage amounts.

4. B.4 Desirable Specifications

a) New Services & Ideas

Points will be awarded based on evaluation of the applicability and usefulness of new services or ideas for enhancement and potential benefit for the Agency.

5. C.1 Financial Stability (See Table 1)

The Evaluation Committee will review the financial statements or other evidence of financial stability if financial statements are not available, and assess scores in three areas:

- i. Liquidity – Current ratio (Current ratio = Current assets/Current liabilities) greater than 1 for the last fiscal year
- ii. Size – Annual revenues for the last three years
- iii. Profitability – Firms generating positive net income

6. C.2 Letter of Transmittal (See Table 1)

Pass/Fail only. No points assigned.

7. C.3 Campaign Contribution Disclosure Form (See Table 1)

Pass/Fail only. No points assigned.

8. C.4 Oral Presentation (See Table 1)

Points will be awarded based on the quality, organization and effectiveness of communication of the information presented, as well as the professionalism of the presenters and technical knowledge of the proposed staff. Points will also be awarded based on the relevancy and comprehensiveness of institutional custody services offered. (If no Oral Presentations are held all Offerors will receive the maximum amount of total points for this Evaluation Factor).

9. C.5 Cost (See Table 1)

Points will be awarded based on the Estimated Annual Total Cost to the Agency. Evaluators will assign points based on the reasonableness of fees and how beneficial fees are to the Agency, including additional required fees included in the Cost Proposal, to be incurred by the Agency. Evaluators will also award points based on the length of time the Offeror is willing to maintain its proposed fees.

10. C.6. New Mexico Preferences

Percentages will be determined based upon the point-based system outlined in § 13-1-21 NMSA 1978 (as amended).

A. New Mexico Resident Business Preference / Native American Resident Preference

If an Offeror has provided a copy of its New Mexico Resident Preference Certificate or Native American Resident Preference Certificate, the points awarded will be calculated as 8% of the total points available in this RFP.

B. New Mexico/Native American Resident Veteran Preference

If an Offeror has provided a copy of its New Mexico Resident Veteran Preference Certificate or Native American Resident Veteran Preference Certificate the points awarded will be calculated as 10% of the total points available in this RFP.

C. EVALUATION PROCESS

1. All Offeror proposals will be reviewed for compliance with the requirements and specifications stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Procurement Manager may contact the Offeror for clarification of the response as specified in Section II.B.5.
3. Responsive proposals will be evaluated on the factors in Section IV, which have been assigned a point value in Section V. The responsible Offerors with the highest scores will be selected as finalist Offerors, based upon the proposals submitted. In accordance with 13-1-117 NMSA 1978, the responsible Offerors whose proposals are most advantageous to the State taking into consideration the Evaluation Factors in Section V will be recommended for award (as specified in Section II.B.8). Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

APPENDIX A

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to the Procurement Code, Sections 13-1-28, *et seq.* NMSA 1978 and § 13-1-191.1 NMSA 1978 (2006), as amended by Laws of 2007, Chapter 234, a prospective contractor subject to this section shall disclose all campaign contributions given by the prospective contractor or a family member or representative of the prospective contractor to an applicable public official of the state or a local public body during the two years prior to the date on which a proposal is submitted or, in the case of a sole source or small purchase contract, the two years prior to the date on which the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor or a family member or representative of the prospective contractor to the public official exceeds two hundred fifty dollars (\$250) over the two-year period. A prospective contractor submitting a disclosure statement pursuant to this section who has not contributed to an applicable public official, whose family members have not contributed to an applicable public official or whose representatives have not contributed to an applicable public official shall make a statement that no contribution was made.

A prospective contractor or a family member or representative of the prospective contractor shall not give a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or during the pendency of negotiations for a sole source or small purchase contract.

Furthermore, a solicitation or proposed award for a proposed contract may be canceled pursuant to Section [13-1-181](#) NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section [13-1-182](#) NMSA 1978 if a prospective contractor fails to submit a fully completed disclosure statement pursuant to this section; or a prospective contractor or family member or representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process.

The state agency or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective contractor.

THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the

authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official’s behalf for the purpose of electing the official to statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Family member” means a spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor;

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Prospective contractor” means a person or business that is subject to the competitive sealed proposal process set forth in the Procurement Code [Sections [13-1-28](#) through [13-1-199](#) NMSA 1978] or is not required to submit a competitive sealed proposal because that person or business qualifies for a sole source or small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

Name(s) of Applicable Public Official(s) if any Governor Michelle Lujan-Grisham, Lieutenant Governor Howie Morales, State Treasurer Laura M. Montoya

DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE CONTRACTOR:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s)

(Attach extra pages if necessary)

Signature

Date

Title (position)

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

Date

Title (Position)

APPENDIX B

DRAFT CONTRACT

The Agreement included in this Appendix C represents the contract the Agency intends to use to make an award. The State of New Mexico and the Agency reserve the right to modify the Agreement prior to, or during, the award process, as necessary.

STATE OF NEW MEXICO

Department of Finance and Administration, State Board of Finance
PROFESSIONAL SERVICES CONTRACT # _____

THIS Agreement (“Agreement”) is made by and between the State of New Mexico, **State Board of Finance**, hereinafter referred to as the “SBOF” or “the Board” and **[Insert Contractor Name]**, hereinafter referred to as the “Contractor,” and is effective as of the date set forth below upon which it is executed by the General Services Department/State Purchasing Division (GSD/SPD Contracts Review Bureau).

WHEREAS, Contractor has been selected by the Board, pursuant to Section 6-10-35 NMSA 1978 (1987) and the Board’s procedures for designating the fiscal agent and custody bank of New Mexico, codified at 2.60.7 NMAC as the Custody Bank to act as custodian for the State of New Mexico in all matters concerning securities custody and the clearance of investment transactions as described herein; and

WHEREAS, pursuant to the Procurement Code, NMSA 1978 13-1-28 *et. seq.* and Procurement Code Regulations, NMAC 1.4.1 *et. seq.* the Contractor has held itself out as an entity with the ability to provide the required services to implement the Scope of Work as contained herein and the Board has selected the Contractor as the offeror most advantageous to the State of New Mexico; and

WHEREAS, all terms and conditions of RFP# 22-341-23-16903 for Institutional Custody Services and the Contractor’s response to such document(s) are incorporated herein by reference; and

IT IS AGREED BETWEEN THE PARTIES:

1. Definitions.

A. “Agency” means the New Mexico State Board of Finance or that State Agency sponsoring this Procurement.

B. “Agent” means the State Treasurer and those employees and contractors of the Investing Agency who are designated in writing by the Treasurer’s Office to Contractor to act in the capacity of agents of the Board.

C. “Authorized Agency” means each department, agency, branch, council, commission, board, and instrumentality and institution of government of the State of New Mexico authorized by the State Board of Finance to use services under this contract.

“Business Hours” means 8:00 a.m. to 5:00 p.m. Mountain Time.

D. “Business Day” means Monday through Friday, excluding Federal Reserve holidays and bank holidays.

E. "Business Hours" means weekdays (Monday – Friday) 8:00 AM thru 5:00 PM MST/MDT, whichever is in effect on the date given.

F. "Close of Business" means weekdays (Monday – Friday) 5:00 PM MST/MDT, whichever is in effect on the date given

G. "Custody Bank" means the Contractor or Contractors assigned to provide services consistent with Title 2, Chapter 60, Part 7 NMAC.

H. "DFA" means the Department of Finance and Administration, which is the State agency within which the State Board of Finance is included.

I. "Entitlement Holder" means the person named on the records of a Securities Intermediary as the person having a securities entitlement against the Securities Intermediary.

J. "Financial Asset" means a Security and refers, as the context requires, either to the asset itself or to the means by which a person's claim to it is evidenced, including a Security, a security certificate, or a securities entitlement. "Financial Asset" does not include cash.

K. "Fiscal Agent" means the Contractor or Contractors assigned to provide services consistent with Title 2, Chapter 60, Part 7 NMAC.

L. "Instructions" means an instruction that has been verified in accordance with a Security Procedure or, if no Security Procedure is applicable, which Contractor believes in good faith to have been given by an Agent in the manner specified next to their name in the relevant authorizing document.

M. "Investing Agency" means the New Mexico State Treasurer's Office (STO).

N. "ITB" means Invitation to Bid as defined in statute and rule.

O. "New Mexico State Purchasing Agent" or "NMSPA" means the purchasing agent for the State of New Mexico or a designated representative. May be used interchangeably with "State Purchasing Agent" or "SPA".

P. "Products and Services schedule" refers to the complete list of products and services offered under this Agreement and the price for each. Product and service descriptions may be amended only through a written amendment signed by all required signatories and with the prior

approval of the Agreement Administrator, if any. New products and services beyond those in the original procurement (whether RFP or ITB) shall not be added to the Products and Services Schedule.

Q. “RFP” means Request for Proposals as defined in statute and rule.

R. “SBOF” means the New Mexico State Board of Finance.

S. “Securities” means shares, stocks, debentures, bonds, notes or other like obligations, whether issued in certificated or uncertificated form, and any certificates, receipts, warrants or other instruments representing rights to receive, purchase or subscribe for the same that are commonly traded or dealt in on securities exchanges or financial markets or other obligations of an issuer, or shares, participations and interests in an issuer recognized in the country in which it is issued or dealt in as a medium for investment and any other property as may be acceptable to Contractor for the Securities Account.

T. “Securities Account” means each Securities custody account on Contractor’s records to which Financial Assets are or may be credited under this Agreement.

U. “Securities Depository” means any clearing system, securities depository, dematerialized book entry system or similar system for the central handling of Securities.

V. “Securities Intermediary” means contractor, a Securities Depository, and any other financial institution which in the ordinary course of business maintains Securities custody accounts for others and acts in that capacity.

W. “Security Procedure” means security procedures to be followed by the Investing Agency upon the issuance of an Instruction and/or by Contractor upon the receipt of an Instruction, so as to enable Contractor to verify that such Instruction is authorized, as set forth in service level or other documentation agreed in writing by the parties. A Security Procedure may, without limitation, involve the use of algorithms, codes, passwords, encryption and telephone call backs. The Investing Agency acknowledges that Security Procedures are designed to verify the authenticity of, and not detect errors in, Instructions. For the avoidance of doubt, the parties agree that a SWIFT message issued in the name of the Investing Agency through any third-party utility agreed upon by the parties as being a method for providing Instructions and authenticated in accordance with that utility’s customary procedures, shall be deemed to be an authorized Instruction.

X. “STO” means the New Mexico State Treasurer’s Office.

Y. “Treasurer” means the Treasurer of the State of New Mexico.

Z. . “We,” “us” or “our” refers to the State of New Mexico, agencies, commissions, institutions, political sub-divisions and local public bodies allowed by law to participate in the Agreement and whose accounts are created under this Agreement.

AA. “You” and “your” refers to **(Contractor Name)**.

2. **Scope of Work.**

The Contractor shall perform the work as outlined in Exhibit A, attached hereto and incorporated herein by reference.

3. **Compensation.**

A. **Compensation Schedule.** The Agency shall pay to the Contractor in full payment for services satisfactorily performed pursuant to the Scope of Work based upon fixed price per the schedule outlined in the Contractor's costs and fees schedule, outlined in Exhibit B, attached hereto and incorporated herein by reference, in FY27 through FY31. The New Mexico gross receipts tax levied on the amounts payable under this Agreement in FY27 through FY31 shall be paid by the Board to the Contractor.

B. **Payment.** The total compensation under this Agreement shall not exceed [**Insert Dollar Amount**] including New Mexico gross receipts tax. **This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The Parties do not intend for the Contractor to continue to provide Services without compensation when the total compensation amount is reached. Contractor is responsible for notifying the SBOF when the Services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for Services provided in excess of the total compensation amount without this Agreement being amended in writing prior to services, in excess of the total compensation amount being provided.**

C. Payment shall be made upon Acceptance of each Deliverable and upon the receipt and Acceptance of a detailed, certified Payment Invoice. Payment will be made to the Contractor's designated mailing address. In accordance with Section 13-1-158 NMSA 1978, payment shall be tendered to the Contractor within thirty (30) days of the date of written certification of Acceptance. All Payment Invoices **MUST BE** received by the SBOF no later than fifteen (15) days after the termination of this Agreement. Payment Invoices received after such date **WILL NOT BE PAID.**

D. The Contractor shall be reimbursed by the SBOF for applicable New Mexico gross receipts taxes, excluding interest or penalties assessed on the Contractor by any authority. **PLEASE NOTE NO PROPERTY TAX WILL BE PAID TO THE CONTRACTOR BY THE STATE.** The payment of taxes for any money received under this Agreement shall be the Contractor's sole responsibility and should be reported under the Contractor's Federal and State tax identification number(s).

E. Contractor and any and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall require all subcontractors to hold the SBOF harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal and/or state and local laws and regulations and any other costs, including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4. **Term.**

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE GSD/SPD Contracts Review Bureau. This Agreement shall terminate on **(June 30, 2031)** unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in NMSA 1978, § 13-1-150.

5. **Termination.**

A. **Grounds.** The SBOF may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the SBOF's uncured, material breach of this Agreement.

B. **Notice; Agency Opportunity to Cure.**

1. Except as otherwise provided in Paragraph (4)(B)(3), the SBOF shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give SBOF written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the SBOF's material breaches of this Agreement upon which the termination is based and (ii) state what the SBOF must do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if the SBOF does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the SBOF does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the SBOF; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, "Appropriations", of this Agreement.

C. **Liability.** Except as otherwise expressly allowed or provided under this Agreement, the SBOF's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; **provided, however,** that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. **THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE SBOF'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.**

D. **Termination Management.** Immediately upon receipt by either the SBOF or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the SBOF; 2) comply with all directives issued by the SBOF in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the SBOF shall direct for the protection, preservation, retention or transfer of all property titled to the SBOF and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the SBOF upon termination and shall be submitted to the SBOF as soon as practicable.

6. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the SBOF to the Contractor. The SBOF's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the SBOF proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

7. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional or general services for the SBOF and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

8. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the SBOF.

9. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the SBOF. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the SBOF.

10. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the SBOF, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

11. Confidentiality.

Any Confidential Information provided to the Contractor by the SBOF or, developed by the Contractor based on information provided by the SBOF in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the SBOF. Upon termination of this Agreement, Contractor shall deliver all Confidential Information in its possession to the SBOF within thirty (30) Business Days of such termination. Contractor acknowledges that failure to deliver such Confidential Information to the SBOF will result in direct, special and incidental damages.

12. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the SBOF no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

13. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in any way limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with NMSA 1978, § 10-16-4.3, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any SBOF employee while such employee was or is employed by the SBOF and participating directly or indirectly in the SBOF's contracting process;

2) this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A) and this Agreement was awarded pursuant to a competitive process;

3) in accordance with NMSA 1978, § 10-16-8(A), (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the SBOF's making this Agreement;

4) this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with NMSA 1978, § 10-16-13, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the SBOF.

C. Contractor's representations and warranties in paragraphs A and B of this Clause are material representations of fact upon which the SBOF relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the SBOF if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in paragraphs A and B of this Clause were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in paragraphs A and B of this Clause were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the SBOF and notwithstanding anything in the Agreement to the contrary, the SBOF may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Agreement.

14. Amendment.

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the SBOF proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in the Terminations Clause of this Agreement, or to agree to the reduced funding.

C. If additions or changes in services are requested by the State, the Contractor shall present a cost analysis and proposal for the Board's review and approval. The cost analysis and proposal provided by the Contractor must include at a minimum three schedules detailing: 1) a complete listing of previously agreed-upon costs and fees; 2) a complete listing of all costs and fees to take effect upon approval of the proposed Amendment with additional costs and fees clearly marked as "new"; and 3) a direct mapping of any proposed changes to the name or description of costs and fees. Contractor shall provide the cost analysis and proposal in PDF and Microsoft Excel formats. No payment for such added or changed services shall be made until an amendment has become effective.

15. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or

understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

16. Penalties for violation of law.

The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

17. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

18. Applicable Law.

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

19. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the SBOF.

20. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date, time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the SBOF, the Department of Finance and Administration and the State Auditor. The SBOF shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the SBOF to recover excessive or illegal payments.

21. Indemnification.

The Contractor shall defend, indemnify and hold harmless the SBOF and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this

Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the SBOF and the Risk Management Division of the New Mexico General Services Department by certified mail.

22. New Mexico Employees Health Coverage.

A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage.

23. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

24. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

25. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

SBOF:

[insert name, address and email].

To the Contractor:

[insert name, address and email].

26. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

27. Assumption of Obligations and Related Costs.

The Contractor agrees that it shall conduct a reconciliation of all accounts transferred no later than thirty (30) days after assuming its obligations under this Agreement. The Contractor agrees that it shall bear any and all costs associated with the transfer and assumption of obligations by the Contractor under this Agreement.

28. Reconciliation Upon Transfer.

The Contractor agrees that it shall conduct a reconciliation of the transition no later than thirty (30) days after any transfer of the relationship.

29. Continuing Obligation.

For sixty (60) days following expiration or termination of this Agreement, the Contractor agrees that it will be under a continuing duty, without charge to the State, to comply with the terms and conditions of this Agreement until all assets and funds of the State have been successfully transferred to the successor Contractor.

30. Bonding Requirements.

The Contractor shall maintain and furnish at its expense throughout the term of the Agreement a banker's blanket bond per occurrence coverage in a minimum amount of fifty million dollars (\$50,000,000) and additional coverage for electronic computer crime losses in the minimum amount of twenty-five million dollars (\$25,000,000) per occurrence. Each such coverage must contain terms and conditions acceptable to the Board. Proof of such coverage shall be submitted to the Board at the time this Agreement is executed and each time coverage is renewed.

31. Unimpaired Capital and Business Requirements.

The Contractor shall have an unimpaired capital and surplus, tier 1 core capital as defined by federal regulations of at least twenty million dollars (\$20,000,000) and must be doing business in New Mexico. Proof of such requirements shall be submitted to the Board at the time this Agreement is executed.

32. Statutory Requirements.

The Contractor shall ensure compliance with Section 6-10-21 et seq. NMSA 1978, as well as other applicable laws and regulations of the State of New Mexico.

33. Cooperation with Agency Audits.

The Contractor agrees to cooperate with and make space available for auditors when audits are made of any Agency for which services are being provided under this Agreement.

34. Trade-Date Accounting System.

Subject to the Contractor's satisfaction with the credit-worthiness of the Investing Agency, Contractor shall utilize a trade-date accounting system for securities settlement in the performance of services under this Agreement and will report an appropriate payable or receivable for securities purchased or sold but not yet settled, to the extent that it customarily offers trade-date accounting with respect to a given market. Upon request, Contractor shall provide a list of the markets for which contractual settlement date accounting is currently offered. Contractor will notify the Board and the Investing Agency of any changes to markets for which trade-date accounting is offered.

35. Contractor Personnel.

A. Key Personnel. Contractor's key personnel shall not be diverted from this Agreement without the prior written approval of the Director of the SBOF. Key personnel are those individuals considered by the Board to be mandatory to the work to be performed under this Agreement. Key personnel shall be:

[Insert Contractor Staff Name(s)]

B. Personnel Changes. Replacement of any personnel shall be made with personnel of equal ability, experience, and qualification and shall be approved by the SBOF. For all personnel, the SBOF reserves the right to require submission of their resumes prior to approval. If the number of Contractor's personnel assigned to the Project is reduced for any reason, Contractor shall, within ten (10) Business Days of the reduction, replace with the same or greater number of personnel with equal ability, experience, and qualifications, subject to SBOF approval. The SBOF, in its sole discretion, may approve additional time beyond the ten (10) Business Days for replacement of personnel. The Contractor shall include status reports of its efforts and progress in finding replacements and the effect of the absence of the personnel on the progress of the Project. The Contractor shall also make interim arrangements to assure that the Project progress is not affected by the loss of personnel. The SBOF reserves the right to require a change in Contractor's personnel if the assigned personnel are not, in the sole opinion of the SBOF, meeting the SBOF's expectations.

36. Appointment of Agents for the Investing Agency.

The Board and the Contractor have determined that it is more efficient for certain employees and contractors of the Investing Agency of the State to instruct the Contractor directly and otherwise deal directly with the Contractor on many matters. As set forth herein, the Treasurer will appoint certain employees of the Investing Agency as the Board's Agents for purposes of dealing with the Contractor. These appointments shall remain in effect under this Agreement until changed or terminated by the Investing Agency by written notice from the Investing Agency to the Contractor, which notice shall be effective upon receipt or the date specified in the notice, whichever is later. Any liability for Actions or Omissions of such Agents in dealing with the Contractor shall be that of the State, and not the Contractor (with the exceptions set out in Section 38 of this Agreement and in this Section 48). The Board hereby appoints the Treasurer and certain employees and contractors of the Investing Agency designated by the Treasurer as Agents of the State to instruct and deal directly with the Contractor and otherwise to exercise all rights and privileges and perform all duties and obligations of the Board with relation to the Contractor concerning custody clearance of investment transactions, and securities lending for the State, to the extent provided in this Agreement. As to each service or type of transaction provided by the Contractor pursuant to this Agreement, the Treasurer and certain employees and contractors of the Investing Agency shall have the option to deal directly with the Contractor in their capacity as Agents of the Board. The persons authorized to deal with the Contractor shall include only the Treasurer and those employees and contractors of the Investing Agency who are designated in writing by the Treasurer to the Contractor to act in the capacity of Agents of the Board pursuant to this Section 48.

Further, by acceptance of this appointment of the Treasurer and certain employees of the Investing Agency as Agents, notwithstanding any principles or agency law to the contrary, and notwithstanding the provisions for indemnification of the State by the Contractor contained in Section 38 hereof, the State waives and relinquishes any and all claims the State may have at any time and from time to time against the Contractor for any and all loss, damage, costs, damages and expenses (including, without limitation, legal fees and expenses) and liability arising directly or indirectly from Actions or Omissions of an Agent acting pursuant to appointment under this Section 48, except (i) where the instructions given by the Investing Agency and an Agent conflict and Contractor has followed the Agent's instructions; (ii) where an Agent's instructions are in conflict with this Agreement; or (iii) where Contractor has actively participated with an Agent in such Actions or Omissions.

37. Incorporation by Reference and Precedence.

If this Agreement has been procured pursuant to a request for proposals, this Agreement is derived from (1) the request for proposal, (including any written clarifications to the request for proposals and any agency response to questions); (2) the Contractor's best and final offer; and (3) the Contractor's response to the request for proposals.

In the event of a dispute under this Agreement, applicable documents will be referred to for the purpose of clarification or for additional detail in the following order of precedence: (1) amendments to the Agreement in reverse chronological order; (2) the Agreement, including the scope of work and all terms and conditions thereof; (3) the request for proposals, including attachments thereto and written responses to questions and written clarifications; (4) the Contractor's best and final offer if such has been made and accepted by the SPA or SBOF or entity;

and (5) the Contractor's response to the request for proposals.

38. Insurance.

If the services contemplated under this Agreement will be performed on or in State facilities or property, Contractor shall maintain in force during the entire term of this Agreement, the following insurance coverage(s), naming the State of New Mexico, General Services Department or other party to this Agreement as additional insured.

A. Workers Compensation (including accident and disease coverage) at the statutory limit. Employers liability: \$100,000. The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Agency.

B. Comprehensive general liability (including endorsements providing broad form property damage, personal injury coverage and contractual assumption of liability for all liability the Contractor has assumed under this Agreement). Limits shall not be less than the following:

- a. Bodily injury: \$1,000,000 per person /\$1,000,000 per occurrence.
- b. Property damage or combined single limit coverage: \$1,000,000.
- c. Automobile liability (including non-owned automobile coverage): \$1,000,000.
- d. Umbrella: \$1,000,000.

C. Contractor shall maintain the above insurance for the term of this Agreement and name the State of New Mexico, General Services Department or other party to this Agreement as an additional insured and provide for 30 days cancellation notice on any Certificate of Insurance form furnished by Contractor. Such certificate shall also specifically state the coverage provided under the policy is primary over any other valid and collectible insurance and provide a waiver of subrogation.

39. Product of Service- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the GSD/SPD Contracts Review Bureau below.

By: _____ Date: _____
Governor Michelle Lujan Grisham, President
State Board of Finance

By: _____ Date: _____
Zachary Shandler, Assistant Attorney General
Legal Counsel to the State Board of Finance
Certifying legal sufficiency

By: _____ Date: _____
Mackie Romero, Chief Financial Officer
Department of Finance and Administration

By: _____ Date: _____
[Insert Contractor Name, Title]
[Company Name]

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and/or compensating taxes.

ID Number: **00-000000-00-0**

By: _____ Date: _____
Taxation and Revenue Department

This Agreement has been approved by the GSD/SPD Contracts Review Bureau:

By: _____ Date: _____
GSD/SPD Contracts Review Bureau

APPENDIX C

COST RESPONSE FORM

Offerors must complete the table in the **Pricing Pro Forma Response Form** included below as part of the Cost Proposal. Any additional costs that can be reasonably expected or required to perform the proposed services must be included in the Pricing Pro Forma response along with estimated volumes based on the Offeror's understanding of the scope of work.

Service Description	Annual Volume (A)	Proposed Unit Cost (B)	Total Annual Cost (C) = (A) x (B)
Asset Based Fee Schedule			
Value of Total Portfolio	\$19,900,000,000		
<i>Offerors may adjust pricing tiers as necessary in response</i>			
Administration Fees			
Account Maintenance Fee (Annual Charge)	8		
Number of Portfolio Holdings	538		
Compliance Reporting (Annual per Relationship)	1		
Compliance Reporting (Annual per Account)	7		
Total Return Performance Reporting (Annual per Relationship)	1		
Total Return Performance Reporting (Annual per Account)	7		
Analyzer Fees	7		
Other Charges (reporting, etc.)			
Transaction Fees			
DTC / Fed Purchases	1153		
DTC / Fed Sales	51		
DTC / Fed Maturities	1069		
Interest Payments (Semi-Annual Coupon Payments)	974		
Incoming Domestic Wires	427		
Outgoing Domestic Wires	360		
US Manual Trade Instruction Surcharge	1		
Non-STP Trade Instruction	1		
Minimum Annual Cost?			

Service Description	Annual Volume (A)	Proposed Unit Cost (B)	Total Annual Cost (C) = (A) x (B)
Additional Services Necessary to Meet Core RFP Requirements			
<i>Estimate volumes for each service</i>			
Total Annual Cost			
Optional Services Proposed			

Offerors should also include answers to the following questions in the Cost Proposal.

- 1) Confirm there are no transition costs to transfer institutional custody services to the Offeror.
- 2) How long will the Offeror guarantee the proposed fees?
- 3) Reporting
 - i. Is there an additional charge for customized reporting?
 - ii. What is the fee for attribution analysis (if applicable)?
- 4) Investment Sweep
 - i. What applicable fee (if any) applies for funds swept into the proposed investment vehicle?

How is the fee calculated?

APPENDIX D

Letter of Transmittal Form

Please complete this form in its entirety. Failure to **sign and/or submit** this form will result in the disqualification of Offeror's proposal.

RFP#: 26-341-4000-00003

1. Identify the following information for the submitting organization:

Offeror Name	
Mailing Address	
Telephone	
FED TIN#	
NM BTIN#	

2. Identify the individual(s) authorized by the organization to (A) contractually obligate, (B) negotiate, and/or (C) clarify/respond to queries on behalf of this Offeror:

	A Contractually Obligate	B Negotiate*	C Clarify/Respond to Queries*
Name			
Title			
E-mail			
Telephone			

* If the individual identified in Column A also performs the functions identified in Columns B & C, then no response is required for those Columns. If separate individuals perform the functions in Columns B and/or C, they must be identified.

3. Will any subcontractor/s be used in the performance of any resultant contract? (Select one):

No.
 Yes. Identify subcontractor/s: _____

4. Will any other entity/-ies (such as a State Agency, reseller, etc., that is not a subcontractor identified in #3 above) be used in the performance of any resultant contract? (Select one)

No.
 Yes. Identify entity/-ies: _____

By signing the form below, the Authorized Signatory attests to the accuracy and veracity of the information provided on this form, and explicitly acknowledges the following:

- On behalf of the submitting-organization identified in item #1, above, I accept the Conditions Governing the Procurement, as required in Section II.C.1. of this RFP;
- I concur that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP; and
- I acknowledge receipt of any and all amendments to this RFP, if any.

Sign: _____ Date: _____

(Must be signed by the individual identified in item #2.A, above.)

APPENDIX E

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The State of New Mexico, as a part of the RFP process, requires Offerors to list a minimum of three (3) organizational references in their proposals. The purpose of these references is to document Offeror's experience relevant to the Section IV.A, Detailed Scope of Work in an effort to evaluate Offeror's ability to provide goods and/or services, performance under similar contracts, and ability to provide knowledgeable and experienced staffing.

Offeror is required to send the following Organizational Reference Questionnaire to each business reference listed in its proposal, as per Section IV.B.2. The business reference, if it chooses to respond, is required to submit its response to the Organizational Reference Questionnaire directly to: Ashley Leach at Ashley.Leach@dfa.nm.gov by **November 17, 2025, no later than 5:00 pm MST/MDT** for inclusion in the evaluation process. The Questionnaire and information provided will become a part of the submitted proposal. Businesses/Organizations providing references may be contacted for validation of content provided therein.

RFP # 26-341-4000-00003
Institutional Custody Services

ORGANIZATIONAL REFERENCE QUESTIONNAIRE
FOR:

(Name of Offeror)

This form is being submitted to your company for completion as a reference for the organization listed above. Submit this Questionnaire to the State of New Mexico, State Board of Finance, via e-mail to:

Name: Ashley Leach, Director, Procurement Manager
Email: Ashley.Leach@dfa.nm.gov

Forms must be submitted no later than **November 17, 2025, by 5:00pm MST/MDT**, and **must not** be returned to the organization requesting the reference. References are **strongly encouraged** to provide thorough comments in response to the questions asked. The comments you provide will help the State of New Mexico evaluate the above-referenced Offeror's service history, successful execution of services, and evidence of customer/client satisfaction.

For questions or concerns regarding this form, please contact the State of New Mexico **Procurement Manager** at Ashley Leach (505) 629-9745. When contacting the Procurement Manager, include the Request for Proposal number provided at the top of this page as well as reference to the Offeror for which a reference is being provided.

Organization providing reference	
Contact name and title/position	
Contact telephone number(s)	
Contact e-mail address	
Project description	
Project dates (start and end dates)	

QUESTIONS:

1. In what capacity have you worked with this vendor?

COMMENTS:

2. How would you rate this firm's knowledge and expertise in providing institutional custody services?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

3. How would you rate the vendor's flexibility relative to changes in the project scope and timelines?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

4. What is your level of satisfaction with reporting produced by the vendor?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable, N/A = Not applicable)

COMMENTS:

6. Has the vendor worked with you to make reports more conducive to your agency?

_____ Yes _____ No

If yes, how would you rate the process (3-0):

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable, N/A = Not applicable)

5. How would you rate the dynamics/interaction between vendor personnel and your staff?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

7. Who are/were the vendor's principal representatives involved in your project and how would you rate them individually? Would you, please, comment on the skills, knowledge, behaviors or other factors on which you based the rating?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Name: _____ Rating:

Name: _____ Rating:

Name: _____ Rating:

Name: _____ Rating:

COMMENTS:

8. Did you go through a transition process with this vendor (from one provider of institutional custody services to another)?
_____ Yes _____ No

If yes, how would you rate the transition process (3-0) on the following categories:

(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable, N/A = Not applicable)

- _____ Timeliness in reports
_____ Communication
_____ Following expected timeline/deadlines

9. How satisfied are/were you with the Custody Banking services provided by the vendor?
_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable, N/A = Not applicable)

COMMENTS:

8. With which aspect(s) of this vendor's services are/were you most satisfied?

COMMENTS:

9. With which aspect(s) of this vendor's services are/were you least satisfied?

COMMENTS:

10. Would you recommend this vendor's services to your organization again?

COMMENTS:

APPENDIX F

CUSTODY REPORTS OVERVIEW

Report Name	Format	Fields
Cash Projections	PDF & Excel	Loc/Nom, Reg/Sub A/C, Security ID, ISIN, OCC ID, Security Name, Coupon Rate, Maturity Date, Pool Number, Transaction Group, Transaction Category, Transaction Type, Transaction Status, Transaction Number, Projected Date, Contractual S/D, Payable Date, Units, Current Face, Principal Amount, Income Amount, Net Amount
Detailed Net Asset Valuation	PDF & Excel	Security Number, Description, Quantity, Cost Local, Market Price, Market Value Local, Cost Base, Market Value Base, Accrued Income, Base, Unrealized Gain/Loss Base, Market Value + Accrued Income Base, % of Fund
Income Earned	PDF & Excel	Security Description Security ID, Total Income Earned, Earned During Period, Beginning Accrual, Income Received/Income Paid, Interest Purchased, Interest Sold, Ending Accrual, Overdue Income
Portfolio Fact Sheet	PDF & Excel	Total Net Assets (Millions), Weighted Average Life (Years), Weighted Avg. Effective Duration (Years), Weighted Average Coupon (%), Weighted Average Current Yield (%), Weighted Average Yield to Maturity (%), Weighted Average Rating, Number of Holdings, Security ID (Top Ten Portfolio Holdings), Security Name (Top Ten Portfolio Holdings), % of Assets (Top Ten Portfolio Holdings), Coupon Rate (Top Ten Portfolio Holdings), Maturity Date (Top Ten Portfolio Holdings), Asset Mix, Duration Mix, Quality/Rating Weightings, Sector Weightings (as % of Market Value), Returns Series (Current Month, Trailing 3 Months, Year-To-Date, Trailing 1 Year, Trailing 3 Years – Annualized, Trailing 5 Years – Annualized, Inception – Annualized)
Standard Report	PDF & Excel	Account / Holdings, Market Value, Cost, % of Total, Return, Coupon Rate, Modified Duration, Option Adjusted Spread, Spread Duration, Static Yield, Effective Duration, Effective Convexity, Weighted Average Life, Yield to Maturity, Moody Quality Rating, S&P Quality Rating
Performance	PDF & Excel	Account ID, Portfolio Name, Market Value, Month, Trailing 3M, Fiscal YTD, YTD, 1 YR, Since Inception, Inception Date
Performance by Asset Class	PDF & Excel	Asset Class, End Market Value, Weight, 1 Month, 3 Months, YTD, FYTD, 1 Year
All Positions Template	PDF & Excel	Account Number, Account Name, Account Status, Base Currency Code, Asset ID, Security Qualifier, Security Description, Shares

Report Name	Format	Fields
		Par, Market Price, Original Cost, Market Value, Unrealized Gain/Loss
All Transactions Template	PDF & Excel	Account Number, Effective Date, Trade Currency, Security Description 1, Security Description 2, Principal Local, Principal Base, Account Name, Account Status, Trade Date, Actual Settlement Date, Income Currency, Quantity, Price, Income Local, Cost Local, Cost Base, Income Base, Transaction, Transaction Description 1, Transaction Type, Trade Exchange Rate, Security ID, Include Currency
Balance Sheet	PDF & Excel	Account Number, Ledger Super Category, Account Name, Account Status, Base Currency Code, Ledger Account Long Name, Cost, Market, RUN ID, Report Date
Cash Balance Detail	PDF & Excel	Account Number, Section, Segment, Account Name, Account Status, Base Currency, Security Description 1, Security Description 2, Local Currency, Cost Base, Market Value Base, Accrued Income Base, Unrealized Gain/Loss Market Base, Unrealized Gain/Loss Currency Base, Unrealized Gain/Loss Total Base, Base Currency Long Description, SHARE Fund
Cash Receipts and Disbursements	PDF & Excel	Account Number, Settlement Currency, Beginning Local Cash Balance, Beginning Base Cash Balance, Base Currency Gain(Loss), Account Name, Account Status, Base Currency Code, Actual Settlement Date, Trade Date, Asset ID, Transaction Type Code, Security Description 1, Security Description, Quantity, Exchange Rate, Local Currency, Base Currency
Detailed Net Asset Valuation	PDF & Excel	Account Number, Report Currency Code, Net Asset Market Value, Account Name, Account Status, Base Currency Code, Security ID, Security Description 1, Security Description 2, Exchange Rate, Quantity, Cost Local, Market Price, Market Value Local, Cost Base, Market Value Base, Accrued Income Base, Unrealized Gain/Loss Base, Market Value + Accrued Income Base, % of Fund, Segregated Cash, Segregated Cash % of Fund, Subscriptions Receivable, Subscriptions Receivable % of Fund, Redemptions Payable, Redemptions Payable % of Fund, Segment, Trade Currency
Effective Maturity Date Analysis	PDF & Excel	Account Number, Maturity Year, Maturity Date, Security Description, Security ID, Classification, Coupon Rate, Nominal Value, Days to Maturity, Duration, Modified Duration, Book Cost, Market Value, Accrued Income, Market Value and Accrued Income, Maturity By Year, Account Name, Base Currency, Volume Weighted Coupon, Volume Weighted Days to Maturity, Volume Weighted Nominal Value, Book Price, SHARE Fund

Report Name	Format	Fields
Income Earned	PDF & Excel	Account Number, Income Currency Code, Security Description, Security ID, Security Description 2, Account Name, Account Status, Base Currency Code, Total Income Earned, Earned During Period – Income, Earned During Period – Amort, Earned During Period – Reclaim, Beginning Accrual – Income, Beginning Accrual – Amort, Beginning Accrual – Reclaim, Income Received – Income, Income Received – Reclaim, Interest Purchased – Income, Interest Purchased – Amort, Interest Sold – Income, Interest Sold – Amort, Ending Accrual – Income, Ending Accrual – Amort, Ending Accrual – Reclaim, Overdue Income, Category
Reconciliation of Cash	PDF & Excel	Account Number, Ledger Category, Account Name, Base Currency Code, Ledger Account Long Name, Period, SUPER_CATEGORY_L_DE
Reconciliation of Income	PDF & Excel	Account Number, SUPER_CATEGORY_L_DE, Ledger Account Long Name, Account Name, Base Currency Code, Column 1 Amount, Begin Date, Report Date
Security Holdings	PDF & Excel	Account Number, Long Short Indicator, Currency, Segment Long Description, Category Long Description, Account Name, Account Status, Base Currency Code, Security ID, Security Description, Security Description 2, Exchange Rate, Quantity, Unit Cost, Market Price, Cost, Market Value, Unrealized Gain/Loss Market, Unrealized Gain/Loss Currency, Unrealized Gain/Loss Total, Income Receivable, Internal Issue ID, SHARE Fund
Statement of Operations	PDF & Excel	Account Number, SUPER_CATEGORY_L_DE, Ledger Account Long Name, Account Name, Base Currency Code, Column 1 Amount, Report Date, Begin Date
Trial Balance	PDF & Excel	Account Number, Ledger Super Category, Ledger Category, Account Name, Base Currency Code, Ledger Account Long Name, Column 1 Amount, Column 2 Amount, Column 3 Amount, Begin Date, Report Date, RUN ID
All Transaction Activity	PDF & Excel	Security ID, ISIN, OCC ID, Security Name, Coupon Rate, Fail Description, Maturity Date, Pool Number, Transaction Category, Transaction Type, Transaction Status, Transaction Number, Age (Days), Contractual S/D, Payable Date, Posted Date, Units, Current Face, Principal Amount, Income Amount, Net Amount
Cash Projections	PDF & Excel	Account, Loc/Nom, Reg/Sub A/C, Security ID, ISIN, OCC ID, Security Name, Coupon Rate, Maturity Date, Pool Number, Transaction Group, Transaction Category, Transaction Type, Transaction Status, Transaction Number, Projected Date, Contractual S/D, Payable Date, Units, Current Face, Principal Amount, Income Amount, Net Amount
Pending Trades	PDF & Excel	Security ID, ISIN, OCC ID, Security Name, Coupon Rate, Maturity Date, Pool Number, Transaction Category, Transaction Type, Transaction Status, Transaction Number, Trade Date, Contractual S/D, Units, Current Face, Net Amount

Report Name	Format	Fields
Positions	PDF & Excel	Security ID, ISIN, OCC ID, Security Name, Coupon Rate, Maturity Date, Pool Number, Location/Nominee, Reg./Sub Acct., Country, Awaiting Receipt, Awaiting Delivery, Collateral Units, Borrowed Units, Settled Units, Current Face-Settled, Total Units, Current Face-Total
Settled Trades	PDF & Excel	Security ID, ISIN, OCC ID, Security Name, Coupon Rate, Maturity Date, Pool Number, Transaction Category, Transaction Type, Transaction Status, Transaction Number, Trade Date, Contractual S/D, Actual S/D, Units, Current Face, Net Amount

APPENDIX G

MANDATORY SPECIFICATION INFORMATION

a) Attestation of Compliance with Statutory Requirements for Custody Bank Designation

By signing below, the Offeror attests that it meets the qualifications and requirements to be designated custody bank as defined in 2.60.7.9 NMAC. The signatory must have signatory authority for the bank/institution. (See following page for extract.)

Signature

Date

Title (Position)

b) Agreement to Perform Detailed Scope of Services

By signing below, the Offeror agrees to perform the scope of services defined under Section IV.A.

Note, an Offeror's passing this mandatory requirement does not constitute SBOF's acceptance of any changes to the services defined under Section IV.A. or alternate language that may be proposed by the Offeror. Upon the SBOF authorizing staff to negotiate with a successful Offeror, the SBOF may or may not accept any proposed alternative language in the executed contract.

Signature

Date

Title (Position)

c) Organization, Conflict of Interest, and Ability to Comply with Scope of Procurement

Offeror shall describe its organization and service capabilities within the scope of work in detail below. Offeror must provide detail on where its capabilities comply, partially comply, and do not comply with the requirements of this RFP's scope of work. Offeror must identify any existing conflicts of interest that would impact its ability to comply with the scope of work.

Organization, Conflict of Interest, and Ability to Comply with Scope of Procurement	
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Extract from 2.60.7.9 NMAC DESIGNATION PROCEDURES: CUSTODY BANK

A. The board’s request for proposals for designation of a custody bank shall include the following minimum qualifications and requirements:

- 1) The bank must have an unimpaired capital and surplus, tier 1 core capital as defined by federal regulations of at least twenty million dollars (\$20,000,000) and must be doing business in New Mexico.
- 2) The bank must agree that it shall maintain and furnish at its expense throughout the term of the agreement a banker’s blanket bond per occurrence coverage in a minimum amount of fifty million dollars (\$50,000,000) and additional coverage for electronic computer crime losses in the minimum amount of twenty-five million dollars (\$25,000,000) per occurrence. Each such coverage must contain terms and conditions acceptable to the state board of finance.
- 3) The bank must agree to wholly indemnify the state for any and all loss, damage, cost, damages, expenses (including, without limitation, legal fees and expenses) and liability (collectively hereinafter “loss”) resulting from errors, omissions, fraud, embezzlement, theft, negligence or neglect by the custody bank, its employees, officers, agents and directors in performing their duties under the custody bank agreement. The custody bank must also acknowledge and agree that any loss shall, unless such loss can be demonstrated by the custody bank to have been due to a cause or causes beyond the reasonable control of the custody bank (such as acts of God, acts of the public enemy, insurrections, riots, fires, explosions, orders or acts of civil or military authority and other cataclysmic events, to the extent all reasonable and diligent precautions by the custody bank could not have prevented the damage or loss resulting from any such event) be conclusively presumed to be the result of errors, omissions, fraud, embezzlement, theft, negligence or neglect on the part of the custody bank. Limited exceptions to this indemnification requirement may be permitted in any agreement entered by the board with the custody bank as to information supplied by the state treasurer or any other investing agency (i.e. public employees retirement association, education retirement board, state investment council) pursuant to any safekeeping or other collateral agreement or such other limited exception as may be required to in order to enable the provision of a particular service by the custody bank. Any such limited exception must be included in the custody bank agreement and be acceptable to and specifically approved by the board.

