



Vermont Pension Investment Commission
6 Baldwin Street #311 | Montpelier VT 05633
<http://bgs.vermont.gov/purchasing>

SEALED BID

Request For Proposal

CUSTODIAL SERVICES

ISSUE DATE	October 6, 2026
QUESTIONS DUE	October 20, 2026 – 4:30 PM (ET)
RFP RESPONSES DUE BY	November 17, 2026 – 4:30 PM (ET)

Please be advised that all notifications, releases, and addendums associated with this RFP will be posted at:

<http://www.bgs.state.vt.us/pca/bids/bids.php>

The state will make no attempt to contact interested parties with updated information. It is the responsibility of each bidder to periodically check the above webpage for any and all notifications, releases and addendums associated with this RFP.

STATE CONTACT: Georgia Reis
TELEPHONE: 802-461-3709
E-MAIL: georgia.reis@vermont.gov

1. OVERVIEW

1.1. SCOPE AND BACKGROUND

1.1.1. SCOPE

1.1.1.1. The purpose of this Request for Proposal (RFP) issued by the Vermont Pension Investment Commission ("VPIC") (collectively, "the "State") is to obtain a Master Custodian ("master custodial services") capable of providing VPIC with all the banking needs necessary in fulfilling its fiduciary responsibility. The scope of the master custodial services will include, but not be limited to:

- Custody, accounting, and reporting capabilities (domestic and international), including book of record for VPIC assets
- Sub-accounting for investment funds and separately managed funds as well as a consolidation of all funds.
- Online reporting and trading services for the State and our investment managers
- Monthly accounting of all account activities and holdings.
- Daily cash sweep to a short-term investment fund approved by the State.
- Ad hoc requests on an as-needed basis.
- Access to VPIC's portfolio monitoring services' firms to file claims for class actions and security litigation.
- VPIC's designee with implementation based on instructions regarding corporate actions and proxy voting.
- Annual reporting schedules, disclosures, and fulfillment of any/all requests to satisfy VPIC.
- Securities Lending (possibly)
- Compliance
- Performance Measurement and Reporting (possibly)

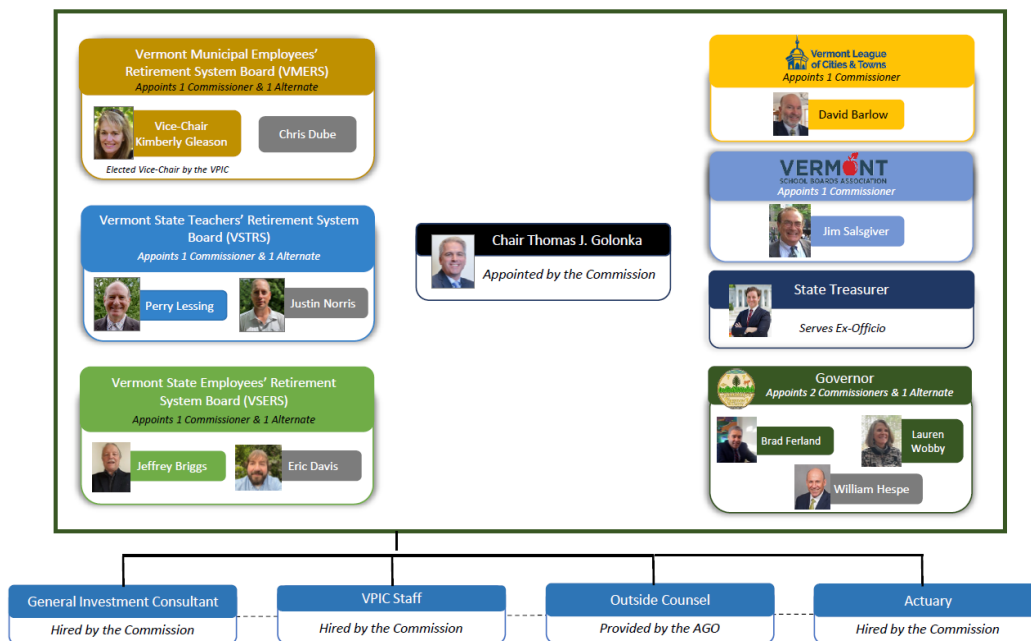
Detailed requirements are set forth in Section 2 of this RFP. VPIC Staff have historically relied on the comprehensive services of a single master custodian to provide accounting, trading, settlement, collection, class action litigation, compliance, among other custody services. JPMorgan is currently the Master Custodian for VPIC. The current contract expires on June 30, 2027 and state law requires VPIC to complete an RFP process before executing a new contract. Through this RFP process VPIC envisions the engagement of one master custodian to assist it and its professional staff in prudently overseeing the accounting and custody of VPIC plan assets. Interested parties are invited to bid on the Service Categories. The anticipated scope of each Service Category is detailed in Section 2, "Detailed Requirements/Desired Outcomes" of this RFP. Instructions for submitting proposals are outlined in the following pages.

1.1.2. BACKGROUND

1.1.2.1. Legal Authorization: VPIC is a public body formed by Vermont Statute 3 V.S.A. § 522, that acts within its scope to invest the assets of the Vermont State Employees' Retirement System (VSERS), Vermont State Teachers' Retirement System (VSTRS), Vermont Municipal Employees' Retirement System (VMERS), and other public funds as provided by State statute. VPIC is responsible for the investment of approximately \$8 billion in pooled pension fund assets, as well as VSTRS' Post-Retirement Adjustment Allowance Account (PAAA) funds, and VSTRS' and VSERS' Other Post Employment Benefits (OPEB) funds. The PAAA was established in 2023 and is intended to incrementally increase the annual cost-of-living compensation adjustment for active and contributing members. The OPEB was established in

2022; however, responsibility for custody and investment of the fund transferred from the Treasurer to the VPIC during the 2026 Legislative session.

- 1.1.2.2. Primary Objective: VPIC's mission is to maximize the total return on investment, within acceptable levels of risk for public retirement systems, in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. §902. Specifically, in making investments, VPIC shall exercise "reasonable care, skill, and caution" and "invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust."
- 1.1.2.3. Composition: The Commission is comprised of eight members, a non-voting chair elected by the members, and four alternates. VPIC's organizational chart, investment governance overview, and helpful link noted below. The Commission has a small professional staff, operating per Statute to develop, implement, and monitor a prudent investment program, consistent with the Commission's [Investment Policy Statement](#). Per its Operating Policy, VPIC contracts with several external parties. These include a master custodian to provide a variety of custody, record keeping, securities lending (although not actively today), and cash management services; the Attorney General's office to act as the VPIC's Legal Counsel; Segal Marco for proxy voting and shareholder engagement consulting services; RVK, Inc for General Investment services; and Klausner Kaufman Jensen & Levinson as a legal consultant. The three retirement boards (VMERS, VSERS, VSTRS) oversee the operations of each system in such areas as medical disability, benefit revisions, contribution levels, and general benefit administration, as specified in Vermont Statutes.



HELPFUL STATE LINKS

[VPIC General Information](#)

[VPIC Asset Allocation](#)

[VPIC Board Information](#)

[VPIC Investment Policies](#)

[VPIC Stewardship Materials](#)

1.1.2.4. Funds Invested by VPIC

The funds invested by VPIC, as of June 30, 2026, are listed below:

	Total Market Value	Market Value Indexed	% Total	% Indexed
Domestic	\$569,407,045	\$336,557,184	7%	59%
Global	\$3,078,639,498	\$2,837,815,130	38%	92%
International	\$538,791,335	\$0	7%	0%
Fixed Income	\$1,752,474,196	\$1,357,504,545	21%	77%
Private Markets	\$2,231,047,770	\$0	27%	0%
Cash	\$10,982,727	\$0	0%	0%
TOTAL	\$8,170,359,844	\$4,531,876,859	100%	55%

Description of each allocation and underlying accounts are available on our website under [Portfolio Holdings](#) and [Investment Performance](#).

1.1.2.5. External Asset Management: VPIC invests the funds in externally managed investment strategies. There are two separate accounts custodied with the Master Custodian as of issuance of this RFP. VPIC invests in private markets, as well as public. There are no internally managed assets. VPIC is currently setup in a unitized accounting structure for each investment relationship across the six sub-plan accounts on a dollar basis. We are interested in exploring a pooled structure that continues to unitize the relationship, so that each sub-plan can retain its own, independent weight to each pool.

- 1.2. **CONTRACT PERIOD:** Contracts arising from this RFP will be for a period of 5 years with an option to renew for up to two additional five-year periods. The State anticipates the start date for such contract(s) will be July 1, 2027.
- 1.3. **SINGLE POINT OF CONTACT:** All communications concerning this RFP are to be addressed in writing to the State Contact listed on the front page of this RFP. Actual or attempted contact with any other individual from the State concerning this RFP is strictly prohibited and may result in disqualification.
- 1.4. **QUESTION AND ANSWER PERIOD:** Any bidder requiring clarification of any section of this RFP or wishing to comment on any requirement of the RFP must submit specific questions in writing no later than the deadline for question indicated on the first page of this RFP. Questions may be e-mailed to the point of contact on the front page of this RFP. Questions or comments not raised in writing on or before the last day of the question period are thereafter waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site <http://www.bgs.state.vt.us/pca/bids/bids.php> . Every effort will be made to post this information as soon as possible after the question period ends, contingent on the number and complexity of the questions. All information provided by vendors during this process will be public and bidders shall not provide confidential information, except as described in 4.1 below.
- 1.5. **CHANGES TO THIS RFP:** Any modifications to this RFP will be made in writing by the State through the issuance of an Addendum to this RFP and posted online at <http://www.bgs.state.vt.us/pca/bids/bids.php> . Modifications from any other source are not to be considered.
- 1.6. **MINIMUM BIDDER QUALIFICATIONS:** The Contractor must meet the following minimum client base and experience requirements as of December 31, 2025:
 - 1.6.1. Provide custodial services for at least five (5) US based institutional clients with US marketable security trust assets having an aggregate market value of at least \$3 billion.
 - 1.6.2. The responder must currently be providing international custodial services for at least five (5) US based institutional clients with international marketable security trust assets having an aggregate market value of more than \$1 billion dollars.

- 1.6.3. The Senior Account Manager proposed for this account must have a minimum of seven (7) years experience administering domestic and international custodial accounts.
- 1.6.4. The proposed team members to be assigned to the State have authorizations, permits, licenses or certifications required by the Federal government and Vermont laws and regulations to perform services outlined in this RFP.
- 1.6.5. The responder must be a US domiciled trust company and a member of the Federal Reserve, or a US subsidiary of a foreign bank subject to the jurisdiction of US courts.
- 1.6.6. The responder must have a long-term debt rating of A- or higher from at least two nationally recognized rating agencies.
- 1.6.7. All documents, reports, computer software, paper and other materials ("records"), except for records generally available in the public domain, shall be deemed and shall remain exclusive property of the State.
- 1.6.8. The bidder, if under contract with the State, shall act as a fiduciary to the State and discharge its duties solely in the best interest of the State, and shall act in accordance with the standard of care established by the prudent investor rule set forth in Title 14A, Chapter 9 of the Vermont Statutes.

2. **DETAILED REQUIREMENTS/DESIRED OUTCOMES:** The State of Vermont is interested in obtaining bids to meet the following business needs:

2.1. Ability for VPIC to pool its funds held in a master trust while maintaining unitization or plan accounting across six sub-plans.

2.2. Setting up accounts; Accounting services

2.2.1. Contractor will establish and maintain the following accounts ("Accounts"):

- i. one or more Securities Accounts in the name of State (or in another name requested by the State that is acceptable to Contractor) for Financial Assets, which may be held by Contractor or a Subcustodian or a Securities Depository for Contractor on behalf of the State, including as an Entitlement Holder; and
- ii. one or more accounts in the name of the State (or in another name requested by the State that is acceptable to Contractor) ("Cash Account") for any and all cash in any currency received by or on behalf of Contractor for the account of the State.

Notwithstanding paragraph 2.1(a)(ii), cash held in respect of those markets where the State is required to have a cash account in its own name held directly with the relevant Subcustodian or Securities Depository will be held in that manner and will not be part of the Cash Account.

2.2.2. Contractor shall provide the following accounting services:

- i. Trade date multi-currency (local and US dollars) accounting for all securities bought and sold.
- ii. Full accrual accounting for all assets, liabilities, unrealized appreciation/depreciation, income, expenses, and capital by system.

iii. Accounting for the following:

1. Dividends and interest, corporate actions (including mergers, acquisitions, tenders, stock splits and dividends, warrants, and spinoffs);
2. Stock loan income, expenses, and net income;
3. Domestic and international fixed income and equity portfolios;
4. Equity real estate and mortgage loan portfolios;
5. Multi-currency derivatives and other derivative products;
6. Private placements;
7. Securities Litigation income.

iv. Ex-date posting for dividends, bond interest and principal, and interest and paydown on mortgage pass-through certificates;

v. Accounting must be on a fiscal year basis (July 1 - June 30);

vi. A minimum of one secondary pricing source for comparison to the primary source for pricing securities (excluding alternative and real estate investments, not priced on an exchange; Contractor and State will agree on pricing methodology for these asset types).

vii. Investments must be reported at cost and market value with the difference identified (i.e., unrealized appreciation/depreciation); for assets that are accounted for differently, Contractor and State will agree on methodology.

viii. Provide daily positions with ability to post trades as received

ix. The Contractor confirms that all information concerning holdings and transactions will be available for inquiry, download, or print capabilities;

x. Plan Accounting - The Contractor shall allocate gross investment income by account, gross expenses by account, and realized and unrealized gains and losses to each of the State Retirement Systems (each a "VPIC Unitized Account"). Each of the State Retirement Systems has equity in pooled investment vehicles based on funds contributed and redeemed. Earnings in each pooled investment are to be allocated based on the month-end balances of each of the respective State Retirement Systems. For pooled investments, individual investment securities are not specifically identified to the respective State Retirement Systems. The Contractor shall provide detail at the manager level and for each State Retirement System, allocating assets, liabilities, revenues, and expenses using the following balance sheet breakdowns and other general ledger accounts included in sub-section (c) below on a monthly basis:

1. Cash and Investments (Cash, Fair Market Value of Investments (segregated by type or class))
2. Income Receivables (Dividend Income, Interest Income, Tax Reclaim Income, Income Payables)
3. Open Trades (Buys, Sells)
4. Pending Items (Foreign Exchange, Cash and Cash Equivalents, Forward Contracts)

xi. Unitized Pricing. The Contractor shall use methods, approved by the State, that represent the fair value of investments. Where the fair value is not readily available, methodologies will be assessed jointly with the State to approximate fair value.

xii. The Contractor shall provide a monthly investment manager reconciliation report, along with copies of each manager's reconciliations, to the State by the 15th business day of each month. The Contractor shall be responsible for collecting the reports from the investment managers. The reconciliation form completed by the manager should, at a minimum, contain the following information: month end date, name of manager, Fund ID, NAV total, Manager NAV total, difference in dollars and percentage, and details of discrepancies that equals the NAV variance. A tolerance of not more than 2% shall be deemed acceptable; however, variances greater than 2% shall be relied to the State with additional Contractor comments related to the reasons for the variance.

2.2.3. Plan Accounting Reports. Contractor shall furnish plan accounting reports monthly that include the following:

i. By the tenth business day of each month, a preliminary "Net Asset Value Report" that shows market values for all VPIC Unitized Accounts, and market values for each of the State Retirement Systems pro rata shares of VPIC Unitized Accounts combined with each State Retirement System's non-unitized investments which together shall equal a total net asset value for each State Retirement System. On this same report, net asset values for all SDIA accounts shall also be provided.

ii. By the fifteenth (15) business day of each month, a "Plan Accounting Report" which shall show the following for each of: (i) the composite of all VPIC Unitized Accounts, (ii) each VPIC Unitized Account, (iii) each State Retirement System's share of each Unitized Account, (iv) each composite asset class (e.g., large capitalization domestic equity, global fixed income, etc.), (v) each State Retirement System's share of each composite asset class, and (vi) each State Retirement System's composite of all VPIC Unitized Accounts:

-beginning balance (dollars and units),

- transfers,
- interest income,
- dividend income,
- stock loan income,
- securities loan income,
- other income,
- administrative expenses,
- return of capital,
- currency gain and loss,
- realized gain and loss,
- unrealized gain and loss,
- gain and loss on open futures contracts, and
- ending balance and net change (dollars and units).

The ending balance will agree to the net asset value. The Contractor shall provide a general ledger summary totaling to the net asset value, identifying component assets and liabilities.

At the State's request, items may be added to or deleted from the above list.

iii. Not later than August 15 of each year of this Agreement, Contractor shall provide the following formatted as requested by the State:

1. Credit rating, maturity schedule and other risk assessment data relating to investment assets as required by GASB 40 for the State's financial reporting. The State's method for stating interest rate risk will be based on segmented time. Credit rating reports should be available using the ratings of S&P or Moody's.
2. Allocations of classes of securities to each State Retirement System for balance sheet presentation of each State Retirement System's assets; and
3. Aggregate derivatives descriptions and balances as required by GASB 31 for fair market value disclosure.
4. To the extent that the State participates in securities lending, collateral reporting as required under GASB 28.
5. Derivatives reporting as required under GASB 53.

iv. Other reports, as may be agreed to by Contractor, may be requested by the State for managerial accounting or reporting purposes.

2.2.4. Reporting Requirements

- i. Provide monthly computations of net asset value;
- ii. Provide monthly, quarterly, and year-to-date reports on all transactions, income, expenses, realized and unrealized appreciation/depreciation, and changes in capital and other pertinent investment data, in a format acceptable to the State, and as may be agreed to by Contractor, no later than fifteen (15) working days after the end of each month;
- iii. Provide other reports as may be requested by the State, and as may be agreed to by Contractor;
- iv. Provide semi-annual reporting on the Controls at a Service Organization required under the Statement on Auditing Standards "SAS" No. 70 or SSAE16, as applicable;
- v. Reports of daily transactions including domestic trades affirmed, unaffirmed, failing, pending, etc.
- vi. An itemized statement of the Securities as of the end of each month, as well as list of all Securities transactions that remain unsettled at that time.

vii. Provide daily Working Trial Balance, Account Position Appraisal, Cash Transaction, Portfolio Purchase, Portfolio Sales, Foreign Exchange Activity, Summary Realized Gain/Loss, Open Trades, and Receivables.

All reporting shall be made available to the State on-line in an electronic format acceptable to the State and as may be agreed to by Contractor.

At the request of the State, additional Accounts may be opened in the future, and such additional Accounts shall be subject to the terms of this Agreement.

2.2.5. Contractor's obligation to open Accounts pursuant to Section 2.1(a) is conditional upon Contractor receiving such of the following documents as Contractor may require:

i. Contractor's standard form fund manager mandate completed by the fund manager designated by the State; and

ii. in the case of any Account opened in a name not that of the State, documentation with respect to that name similar to that set forth in sub-section i.

2.2.6. Contractor reserves the right to reverse any transactions that were credited to the Accounts due to mis-postings and other similar causes.

2.3. Cash Account

2.3.1. The Contractor shall:

i. Provide for same-day settlement of cash transactions; and

ii. Transfer cash between accounts, make and accept wire transfers of funds (including provision of Fed reference numbers upon request), and accept fund contributions via ACH or check.

2.3.2. Any amount standing to the credit of the Cash Account is a debt due from Contractor to the State as banker. Except as otherwise provided in Instructions acceptable to Contractor, all cash held in the Cash Account will be deposited during the period it is credited to the Accounts in one or more deposit accounts at Contractor or at Contractor's London Branch. Any cash so deposited with Contractor's London Branch will be payable exclusively by Contractor's London Branch in the applicable currency, subject to compliance with Applicable Law, including, without limitation, any restrictions on transactions in the applicable currency imposed by the country of the applicable currency.

2.3.3. Any amount credited by Contractor to the Cash Account on the basis of a notice or an interim credit from a third party may be reversed if Contractor does not receive final payment in a timely manner. Contractor will notify the State promptly of any such reversal.

2.4. Segregation of Assets; Nominee Name

2.4.1. Contractor will identify in its books that Financial Assets credited to the State's Securities Account belong to the State (except as otherwise may be agreed by Contractor and the State).

2.4.2. To the extent permitted by Applicable Law or market practice, Contractor will require each Subcustodian to identify in its own books that Financial Assets held at such Subcustodian by Contractor on behalf of the State belong to the State, such that it is readily apparent that the Financial Assets do not belong to Contractor or the Subcustodian.

2.4.3. Contractor is authorized, in its discretion:

i. to hold in bearer form, such Financial Assets as are customarily held in bearer form or are delivered to Contractor or its Subcustodian in bearer form;

ii. to hold Securities in or deposit Securities with any Securities Depository;

iii. to hold Securities in omnibus accounts on a fungible basis and to accept delivery of Securities of the same class and denomination as those deposited with Contractor or its Subcustodian; and

iv. to register in the name of the State, Contractor, a Subcustodian, a Securities Depository, or their respective nominees, such Financial Assets as are customarily held in registered form.

2.5. Settlement of Transactions

Contractor will act strictly in accordance with Instructions with respect to settlement of transactions. Settlement will be conducted with reasonable skill, care and caution in accordance with prevailing standards of the market in which the transaction occurs. Without limiting the generality of the foregoing, the State authorizes the Contractor to deliver Securities or payment in accordance with applicable market practice in advance of receipt or settlement of consideration expected in connection with such delivery or payment, and the State acknowledges and agrees that such action alone will not of itself constitute negligence, fraud, or willful misconduct of Contractor, and the risk of loss arising from any such action will be borne by the State. In the case of the failure of the State's counterparty (or other appropriate party) to deliver the expected consideration as agreed, Contractor will contact the counterparty to seek settlement and will notify the State of such failure. If the State's counterparty continues to fail to deliver the expected consideration, Contractor will provide information reasonably requested by the State that Contractor has in its possession to allow the State to enforce rights that the State has against the State's counterparty, but neither Contractor nor its Subcustodians will be obliged to institute legal proceedings, file a proof of claim in any insolvency proceeding or take any similar action.

2.6. Contractual Settlement Date Accounting

2.6.1. Contractor will book entries on a contractual settlement date accounting basis as described below with respect to the settlement of transactions in those markets where Contractor generally offers contractual settlement date accounting.

i. Sales: On the settlement date for a sale, Contractor will credit the Cash Account with the proceeds of the sale and, if not already delivered, transfer the relevant Financial Assets to an account at Contractor pending settlement of the transaction.

ii. Purchases: On the settlement date for a purchase (or earlier, if market practice requires delivery of the purchase price before the settlement date), Contractor will debit the Cash Account for the settlement amount and credit a separate account at Contractor. Contractor then will post the Securities Account as awaiting receipt of the expected Financial Assets. The State will not be entitled to the delivery of Financial Assets until Contractor or a Subcustodian receives them.

Contractor shall provide the State with a list of those markets for which it provides contractual settlement date accounting. Contractor may add markets to or remove markets from such list upon reasonable advance written notice to the State. Contractor reserves the right to restrict in good faith the availability of contractual settlement date accounting for credit or operational reasons.

2.6.2. Contractor may reverse any debit or credit made pursuant to Section 2.5 prior to a transaction's actual settlement upon notice to the State in cases where Contractor reasonably believes that the transaction will not settle in the ordinary course within a reasonable time. Absent Contractor's fraud, negligence or willful misconduct with respect to the transaction in question in performing its duties as set out in this Agreement, the Contractor shall not be responsible to the State for any costs or Liabilities resulting from such reversal. The State acknowledges that the procedures described in Section 2.5 are of an administrative nature, and Contractor does not undertake to make loans and/or Financial Assets available to the State.

2.7. Actual Settlement Date Accounting

With respect to settlement of a transaction that is not posted to the Account on the contractual settlement date as referred to in Section 2.5, Contractor will post the transaction on the date on which the cash or Financial Assets received as consideration for the transaction is actually received and settled by Contractor.

2.8. Income Collection (AutoCredit®)

2.8.1. Contractor will monitor information publicly available in the applicable market about forthcoming income payments on the Financial Assets and will promptly notify the State of such information.

2.8.2. Unless the State is notified otherwise, Contractor will credit the Cash Account with income proceeds on Financial Assets on the anticipated payment date, net of any taxes that are withheld by Contractor or any third party ("AutoCredit") in those markets where Contractor customarily provides an AutoCredit service. Contractor shall provide the State with a list of AutoCredit

eligible markets. Contractor may add markets to or remove markets from the list of AutoCredit markets upon prompt notice to the State. Contractor may reverse AutoCredit credits upon oral or written notification to the State if Contractor believes that the corresponding payment will not be received by Contractor within a reasonable period or the credit was incorrect.

2.8.3. In markets where Contractor does not provide an AutoCredit service, income on Financial Assets, net of any taxes withheld by Contractor or any third party, will be credited only after actual receipt and reconciliation by Contractor.

2.8.4. Contractor will use reasonable efforts to contact appropriate parties to collect unpaid interest, dividends or redemption proceeds and notify the State of the late payment, but neither Contractor nor its Subcustodians will be obliged to file any formal notice of default, institute legal proceedings, file a proof of claim in any insolvency proceeding or take any similar action.

2.9. Miscellaneous Administrative Duties

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

- i. present all Financial Assets for which 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 payment upon presentation;
- ii. execute in the name of the State such certificates as may be required to obtain payment in respect of Financial Assets; and
- iii. exchange interim or temporary documents of title held in the Securities Account for definitive documents of title.

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

2.9.3. If some, but not all, of an outstanding class of Financial Assets is called for redemption, Contractor may allot the amount redeemed among the respective beneficial holders of such a class of Financial Assets on a pro rata basis or in a similar manner Contractor deems fair and equitable.

2.10. Corporate Actions

2.10.1. Contractor will act in accordance with local market practice to obtain information concerning Corporate Actions that is publicly available in the local market. Contractor also will review information obtained from sources to which it subscribes for information concerning such Corporate Actions. The Contractor shall promptly provide to the State or Authorized Person all information (including, without limitation, pendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Contractor from its agents or its subcustodians or from issuers of the securities being held for the State. Contractor will promptly provide that information (or summaries that reflect the material points concerning the applicable Corporate Action) to the State or its Authorized Person.

2.10.2. The Contractor is willing to commit, subject to the applicable standard of care, to report information concerning any corporate action that is publicly available in the local market. Contractor shall be liable for direct damages incurred by the State with regard to corporate actions not so notified to the State. Contractor is willing to accept liability for material inaccuracies or incompleteness in the corporate action information reported and the late reporting of corporate action information to the extent that the inaccuracy, incompleteness or untimeliness is attributable to the negligence of Contractor's subcustodian. Contractor is willing to accept liability for such inaccuracies, incompleteness or lateness to the extent caused by Contractor's own negligence in reviewing information from sources to which it subscribes for information concerning such Corporate Actions, or Contractor's negligent delay in forwarding information on to clients. Contractor, however, does not accept liability to the State for inaccuracies or incompleteness of data received by it or its subcustodians from issuers,

subscription services or other third-party vendors of corporate action information or for their delay in forwarding such information to Contractor or its subcustodians.

2.11. Class Action Litigation

2.11.1. The Contractor shall provide class action claims filing and monitoring services hereto (Class Action Services), which shall include, but not be limited to the following:

- i. Contractor shall track the history of portfolio securities, bonds and other investment properties held by the State during the period in which Contractor provided custodial services and shall make that information available to the State and to its law firms. Portfolio records shall, at a minimum, contain: the item purchased with CUSIP number, quantity purchased, settlement date of purchase, settlement purchase price, as well as, the item sold, quantity sold, settlement date of sale, and settlement sale price. Portfolio records shall be held for a minimum of seven (7) years.
- ii. Contractor shall provide to the State a Settled Class Actions Litigation Detail Report detailing all settled class action litigation for which the Contractor has filed a Proof of Claim, including the Exclusion Date, the Proof of Claim Date, the dates claims and proofs of claim were filed, the total amount recovered by the State (if applicable), the date those funds were credited to the State and what accounts were credited.

2.12. Proxies

2.12.1. Contractor will monitor information distributed to holders of Financial Assets about upcoming shareholder meetings, promptly notify the State, or its designee, of such information and act in accordance with the State's Instructions in relation to such meetings (the "Proxy Voting Service"). The State acknowledges that the provision of the Proxy Voting Service may be precluded or restricted under a variety of circumstances. These circumstances include, but are not limited to:

- i. the Financial Assets being on loan or out for registration;
- ii. the pendency of conversion or another corporate action;
- iii. the Financial Assets being held in a margin or collateral account at Contractor or another bank or broker, or otherwise in a manner which affects voting;
- iv. local market regulations or practices, or restrictions by the issuer; and
- v. Contractor being required to vote all shares held for a particular issue for all of Contractor's customers on a net basis (i.e., a net yes or no vote based on voting instructions received from all its customers). Where this is the case, Contractor will notify the State.

2.13. Statements of Account

2.13.1. Contractor will provide the State with a statement of account for each Account, identifying cash and Financial Assets held in the Account and any transfers to and from the Account. Statements of account may be delivered electronically or online over the Internet and are deemed delivered when sent electronically or posted on the Internet. The State will review its statement of account and give Contractor written notice of (i) any suspected error or omission or (ii) non-receipt of a statement of account within a reasonable time after the statement of accounts is sent or made available to the State, as the case may be.

2.13.2. The State acknowledges that information available to it electronically with respect to transactions posted after the close of the prior business day may not be accurate due to mis-postings, delays in updating Account records, and other causes. Contractor will not be liable to the State for any loss or damage arising out of any such information accessed electronically that is subsequently updated or corrected by the close of business on the first business day after the original transaction was posted.

2.14. Access to Contractor's Records

2.14.1. In addition, Contractor will allow the State's auditors and independent public accountants such reasonable access to the records of Contractor relating to the Accounts as is required in connection with their examination of books and records pertaining to the State's affairs. Subject to restrictions under the relevant local law, Contractor also directs any Subcustodian to permit the State's auditors and independent public accountants, reasonable access to the records of

any Subcustodian of Financial Assets held in the Securities Account as may be required in connection with such examination.

- 2.14.2. Contractor will, upon reasonable written notice, allow the State reasonable access during normal working hours to the records of Contractor relating to the Accounts. Contractor may impose reasonable restrictions on the number of individuals allowed access, the frequency and length of such access, and the scope of the records made available.

2.15. Maintenance of Financial Assets at Subcustodian Locations

- 2.15.1. Unless Instructions require another location acceptable to Contractor, Financial Assets will be held in the country or jurisdiction in which their principal trading market is located, where such Financial Assets may be presented for payment, where such Financial Assets were acquired, or where such Financial Assets are held. Contractor reserves the right to refuse to accept delivery of Financial Assets, or cash in countries and jurisdictions other than those referred to in Schedule 1 to this Agreement, as in effect from time to time. Contractor may modify Schedule 1 to this Agreement upon prompt notice to the State.

- 2.15.2. Contractor reserves the right to restrict the services it provides in certain markets that are deemed by Contractor to be restricted markets from time to time. A current list of these markets, and a summary of the related restrictions, is set forth on Schedule 2. Contractor may update Schedule 2 from time to time upon notice to the State.

2.16. Foreign Exchange Transactions

To facilitate the administration of the State's trading and investment activity, Contractor may, but will not be obliged to, enter into spot or forward foreign exchange contracts with the State, or an Authorized Person, and may also provide foreign exchange contracts and facilities through its Affiliates or Subcustodians. Instructions, including standing instructions, may be issued with respect to such contracts, but Contractor may establish rules or limitations concerning any foreign exchange facility made available. In all cases where Contractor, its Affiliates or Subcustodians enter into a master foreign exchange contract that covers foreign exchange transactions for the Accounts, the terms and conditions of that foreign exchange contract and, to the extent not inconsistent, this Agreement, will apply to such transactions.

2.17. Compliance Monitoring

Contractor shall provide compliance monitoring services.

2.18. Educational Opportunities for Public Pension Fund Trustees

In the event the Worldwide Security Services division of Contractor makes educational opportunities, such as conference and webinars, available to public pension fund trustees, the cost of State employee or VPIC member registration for any such event shall be deemed included in the base fee of this Agreement. In no event shall such registration cost include airfare, hotel or other travel expenses of the State or VPIC members.

2.19. Notifications

The State agrees to access information concerning the Accounts through Contractor's website; except for notifications relating to Termination, Contractor may make notifications required under this Agreement by posting it on the website. These notifications may include, but are not limited to, trade settlement notifications, corporate action notifications, income posting and reversal notifications, and cash balance overdraft notifications. Notwithstanding the foregoing, Contractor shall also provide a daily email which contains a copy of all reports.

3. GENERAL REQUIREMENTS:

- 3.1. **PRICING:** Bidders must price the terms of this solicitation at their best pricing. Any and all costs that Bidder wishes the State to consider must be submitted for consideration. If applicable, all equipment pricing is to include F.O.B. delivery to the ordering facility. No request for extra delivery cost will be honored. All equipment shall be delivered assembled, serviced, and ready for immediate use, unless otherwise requested by the State.

- 3.1.1. Prices and/or rates shall remain firm for the initial term of the contract. The pricing policy submitted by Bidder must (i) be clearly structured, accountable, and auditable and (ii) cover the full spectrum of materials and/or services required.
- 3.1.2. **Cooperative Agreements.** Bidders that have been awarded similar contracts through a competitive bidding process with another state and/or cooperative are welcome to submit the pricing in response to this solicitation.
- 3.2. **STATEMENT OF RIGHTS:** The State shall have the authority to evaluate Responses and select the Bidder(s) as may be determined to be in the best interest of the State and consistent with the goals and performance requirements outlined in this RFP. The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Failure of bidder to respond to a request for additional information or clarification could result in rejection of that bidder's proposal. To secure a project that is deemed to be in the best interest of the State, the State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause, and to waive technicalities in submissions. The State also reserves the right to make purchases outside of the awarded contracts where it is deemed in the best interest of the State.
- 3.2.1. **Best and Final Offer (BAFO).** At any time after submission of Responses and prior to the final selection of Bidder(s) for Contract negotiation or execution, the State may invite Bidder(s) to provide a BAFO. The state reserves the right to request BAFOs from only those Bidders that meet the minimum qualification requirements and/or have not been eliminated from consideration during the evaluation process.
- 3.2.2. **Presentation.** An in-person or webinar presentation by the Bidder may be required by the State if it will help the State's evaluation process. The State will factor information presented during presentations into the evaluation. Bidders will be responsible for all costs associated with providing the presentation.
- 3.3. **CONFLICTS OF INTEREST:**
- 3.3.1. **Organizational Conflict of Interest (OCOI):** An OCOI arises when a bidder as a business entity has interests (for example, customers, partners, contracts) that could undermine, or reasonably be perceived to undermine, its faithful and unbiased performance of a contract with the State that may result from this solicitation.
- 3.3.2. **Personal Conflict of Interest (PCOI):** A PCOI arises when an interest held by an individual, agent or employee of a bidder could undermine, or reasonably be perceived to undermine, its faithful and unbiased performance of a contract with the State that may result from this solicitation.
- 3.3.3. **Requirements:** The State does not seek to contract with any individual or business entity having a conflict of interest which cannot be mitigated to the State's satisfaction. To ensure the State's awareness of actual, potential, or reasonably perceived PCOIs and OCOIs, bidders shall:
- i. Prior to submitting a proposal, conduct an internal review of its current affiliations and activities and identify actual, potential, or reasonably perceived PCOIs or OCOIs relative to a contract with the State that may result from this solicitation.
 - ii. Disclose in your proposal any actual or potential PCOI or OCOI or the existence of any facts that may cause a reasonably prudent person to perceive a PCOI or OCOI with respect to a contract with the State that may result from this solicitation. Disclose, also, any actions proposed to mitigate the PCOI or OCOI.
- 3.3.4. The State shall have sole discretion to determine whether a PCOI or OCOI can be mitigated to the State's satisfaction and may discuss the conflict with the bidder if and to the extent the State deems discussion necessary to its determination. The State reserves the right to (a) reject from further consideration any proposal having a PCOI or OCIO that cannot be mitigated to the State's full satisfaction and (b) terminate a contract upon discovery that a contractor failed to disclose facts pertaining to a PCOI or OCOI in its proposal, or otherwise misrepresented relevant information to the State.

- 3.4. **WORKER CLASSIFICATION COMPLIANCE REQUIREMENTS:** In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), Bidders must comply with the following provisions and requirements.
- 3.4.1. **Self-Reporting:** For bid amounts exceeding \$250,000.00, Bidder shall complete the appropriate section in the attached Certificate of Compliance for purposes of self-reporting information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification of workers. The State is requiring information on any violations that occurred in the previous 12 months.
- 3.4.2. **Subcontractor Reporting:** For bid amounts exceeding \$250,000.00, Bidders are hereby notified that upon award of contract, and prior to contract execution, the State shall be provided with a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54). This requirement does not apply to subcontractors providing supplies only and no labor to the overall contract or project. This list **MUST** be updated and provided to the State as additional subcontractors are hired. A sample form is available online at <http://bgs.vermont.gov/purchasing-contracting/forms>. **The subcontractor reporting form is not required to be submitted with the bid response.**
- 3.5. **EXECUTIVE ORDER 05-16: CLIMATE CHANGE CONSIDERATIONS IN STATE PROCUREMENTS:** For bid amounts exceeding \$25,000.00 Bidders are requested to complete the Climate Change Considerations in State Procurements Certification, which is included in the Certificate of Compliance for this RFP. After consideration of all relevant factors, a bidder that demonstrates business practices that promote clean energy and address climate change as identified in the Certification, shall be given favorable consideration in the competitive bidding process. Such favorable consideration shall be consistent with and not supersede any preference given to resident bidders of the State and/or products raised or manufactured in the State, as explained in the Method of Award section. But such favorable consideration shall not be employed if prohibited by law or other relevant authority or agreement.
- 3.6. **METHOD OF AWARD:** Awards will be made in the best interest of the State. The State may award one or more contracts and reserves the right to make additional awards to other compliant bidders at any time if such award is deemed to be in the best interest of the State. All other considerations being equal, preference will be given first to resident bidders of the state and/or to products raised or manufactured in the state, and then to bidders who have practices that promote clean energy and address climate change, as identified in the applicable Certificate of Compliance.
- 3.6.1. **Evaluation Criteria: Consideration** shall be given to the Bidder's project approach and methodology, qualifications and experience, ability to provide the services within the defined timeline, cost, and/or success in completing similar projects, as applicable, and to the extent specified below. Bidders, who meet the minimum qualifications as outlined in Section 1.6 of this RFP, are invited to on one or any number of the "Service Categories," detailed in Section 2, "Detailed Requirements/Desired Outcomes." The State anticipates considering the following types of criteria in evaluating Bidders for each Service Category: approach and methodology, qualifications and experience, ability to provide services within defined timelines, cost and/or success in completing similar services to other public pension fund clients (as applicable), value to the State, acceptance of State required terms and conditions, resources and personnel to be provided or made available to the State, perceived compatibility with VPIC, Staff, and other consultant resources, including but not limited to (as applicable) other Service Category awardees.
- 3.7. **CONTRACT NEGOTIATION:** Upon completion of the evaluation process, the State may select one or more bidders with which to negotiate a contract, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision made is in the best interest of the State. In the event State is not successful in negotiating a contract with a selected bidder, the State reserves the option of negotiating with another bidder, or to end the proposal process entirely.

- 3.8. **COST OF PREPARATION:** Bidder shall be solely responsible for all expenses incurred in the preparation of a response to this RFP and shall be responsible for all expenses associated with any presentations or demonstrations associated with this request and/or any proposals made.
- 3.9. **CONTRACT TERMS:** The selected bidder(s) will be expected to sign a contract with the State, including the Standard Contract Form and Attachment C as attached to this RFP for reference. If IT Attachment D is included in this RFP, terms may be modified based upon the solution proposed by the Bidder, subject to approval by the Agency of Digital Services.
- 3.9.1. **Business Registration.** To be awarded a contract by the State of Vermont a bidder (except an individual doing business in his/her own name) must be registered with the Vermont Secretary of State's office <https://sos.vermont.gov/corporations/registration/> and must obtain a Contractor's Business Account Number issued by the Vermont Department of Taxes <http://tax.vermont.gov/>.
- 3.9.2. The contract will obligate the bidder to provide the services and/or products identified in its bid, at the prices listed.
- Payment Terms.** All invoices are to be rendered by the Contractor on the bidder's standard billhead and emailed directly to VPIC staff at vpic@vermont.gov and shall specify the address to which payments will be sent. Payment terms are Net 30 days from receipt of an error-free invoice with all applicable supporting documentation. Percentage discounts may be offered for prompt payments of invoices; however, such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.
- 3.9.3. **Retainage.** In the discretion of the State, a contract resulting from this RFP may provide that the State withhold a percentage of the total amount payable for some or all deliverables, such retainage to be payable upon satisfactory completion and State acceptance in accordance with the terms and conditions of the contract.
- 3.9.4. **Quality.** If applicable, all products provided under a contract with the State will be new and unused, unless otherwise stated. Factory seconds or remanufactured products will not be accepted unless specifically requested by the purchasing agency. All products provided by the contractor must meet all federal, state, and local standards for quality and safety requirements. Products not meeting these standards will be deemed unacceptable and returned to the contractor for credit at no charge to the State.
4. **CONTENT AND FORMAT OF RESPONSES:** The content and format requirements listed below are the minimum requirements for State evaluation. These requirements are not intended to limit the content of a Bidder's proposal. Bidders may include additional information or offer alternative solutions for the State's consideration. However, the State discourages overly lengthy and costly proposals, and Bidders are advised to include only such information in their response as may be relevant to the requirements of this solicitation.
- 4.1. **Unsolicited Bidder-Confidential Information Prohibited.** Bidders are hereby expressly directed not to include any confidential information in their proposal submissions, except as specifically permitted below. By submitting a proposal in response to this RFP, bidders acknowledge and agree to abide by the terms and conditions outlined in this document, including the prohibition on submitting confidential information. This prohibition reduces the burden on the State while preventing bidder-confidential information from entering the public record.
- 4.2. **Disclosure under Public Records Act.** All information received by the State in response to this solicitation will become part of the contract file and subject to public disclosure in accordance with the State's Public Records Act, 1 V.S.A. § 315 et seq. The State may also choose to publicly post responses to this solicitation and the resulting agreement(s), following conclusion of this procurement process.
- 4.3. **Unsolicited Confidential Materials.** This RFP does not solicit bidder confidential information and bidders are expressly prohibited from providing confidential information in response to this RFP. All materials furnished by bidders in response to this RFP, including those marked as confidential by bidders, are subject to disclosure if requested under the Public Records Act, or public posting.
- 4.4. **State Not Responsible for Disclosure of Unmarked Bidder-Confidential Information.** It is the sole responsibility of the bidder to ensure that, other than where specifically directed or permitted by

this RFP and accordingly marked as described below, no information that should not be publicly disclosed is included in their proposal materials, including any 1) trade secrets or intellectual property, 2) proprietary financial or business information, 3) personal information, or 4) any other information that should not be disclosed to the public. For example, bidders should avoid including specific details of their proprietary technologies or methodologies that they consider confidential, and any references to previous client engagements should be presented in a manner that does not disclose the client's confidential information.

4.5. The bid should include a Cover Letter and Technical Response and Price Schedule.

4.6. COVER LETTER

4.6.1. Confidentiality: To the extent your bid contains information you consider to be proprietary and confidential, you must comply with the following requirements concerning the contents of your cover letter and the submission of a redacted copy of your bid (or affected portions thereof).

4.6.2. The successful response will become part of the contract file and will become a matter of public record, as will all other responses received. If the response includes material that is considered by the bidder to be proprietary and confidential under the State's Public Records Act, 1 V.S.A. § 315 et seq., the bidder shall submit a cover letter that clearly identifies each page or section of the response that it believes is proprietary and confidential. The bidder shall also provide in their cover letter a written explanation **for each marked section** explaining why such material should be considered exempt from public disclosure in the event of a public records request, pursuant to 1 V.S.A. § 317(c), including the prospective harm to the competitive position of the bidder if the identified material were to be released. Additionally, the bidder must include a redacted copy of its response for portions that are considered proprietary and confidential. Redactions must be limited so that the reviewer may understand the nature of the information being withheld. It is typically inappropriate to redact entire pages, or to redact the titles/captions of tables and figures. Under no circumstances can the entire response be marked confidential, and the State reserves the right to disqualify responses so marked and to not protect marked information that the State determines to be marked confidential but isn't treated that way under the State's Public Records Act.

4.6.3. Exceptions to Contract Terms and Conditions If the bidder wishes to propose an exception to any terms and conditions set forth in the Standard Contract Form and its attachments, such exceptions must be included in the cover letter to the RFP response. Failure to note exceptions when responding to the RFP will be deemed to be acceptance of the State contract terms and conditions. If exceptions are not noted in the response to this RFP but raised during contract negotiations, the State reserves the right to cancel the negotiation if deemed to be in the best interests of the State. Note that exceptions to contract terms may cause rejection of the proposal.

4.7. QUESTIONNAIRE

Each bidder shall complete **Attachment 7.6, "Questionnaire"** as detailed in the form. If incomplete, the State may consider this ground for elimination.

4.8. **TECHNICAL RESPONSE.** In response to this RFP, a bidder shall:

4.8.1. Provide details concerning your form of business organization, company size and resources.

4.8.2. Describe your capabilities and particular experience relevant to the RFP requirements.

4.8.3. If you have experience working with the State of Vermont, identify all current or past State projects. Provide the name of the Vermont department or agency and the project title or a brief description of the work. Do not include references or statements from State of Vermont agencies or employees.

4.8.4. Identify the names of all subcontractors you intend to use, the portions of the work the subcontractors will perform, and address the background and experience of the subcontractor(s), in response to the questions described above in this section.

- 4.9. **REFERENCES.** Provide the names, addresses, email addresses and phone numbers of at least three government pension plans with similar complexities to the State. You must include contact names who can speak knowledgeably about the similar services your company performed.
- 4.10. **REPORTING REQUIREMENTS:** Provide a sample of any reporting documentation that may be applicable, as well as a demonstration of any online systems that will be used by Staff to access reporting, accounting information, and post trades, among other information related to the services identified in this RFP. This demonstration may be scheduled live, recorded, or a website accessible to Staff through an online portal.
- 4.11. **PRICE SCHEDULE:** Bidders shall submit their pricing information in the Price Schedule attached to the RFP.
- 4.12. **CERTIFICATE OF COMPLIANCE:** This form must be completed and submitted as part of the response to the proposal to be considered valid.

5. SUBMISSION INSTRUCTIONS

- 5.1. **CLOSING DATE:** Bids must be received by the State by the due date specified on the front page of this RFP. Late bids will not be considered.

5.1.1. The State may, for cause, issue an addendum to change the date and/or time when bids are due. If a change is made, the State will inform all bidders by posting at the webpage indicated on the front page of this RFP.

5.1.2. There will not be a public bid opening. However, the State will record the name, city and state for any and all bids received by the due date.

- 5.2. **ELECTRONIC BIDS ONLY:** All bids under this RFP must be submitted electronically in accordance with the submission requirements herein.

ELECTRONIC BID PROCESS. Emailed bids will be accepted. Bids will be accepted via email submission to georgia.reis@vermont.gov. Bidders are requested to include a cc to vpic@vermont.gov. Bids must consist of a single email with a single, digitally searchable PDF attachment containing all components of the bid. Multiple emails and/or multiple attachments will not be accepted. There is an attachment size limit of 40 MB (40,960KB). It is the Bidder's responsibility to compress the PDF file containing its bid if necessary in order to meet this size limitation. It is also the Bidder's responsibility to ensure that their own email system can send and receive messages up to this size. We recommend that after submitting the proposal, the bidder email the point of contact listed on the cover of this document to request confirmation of receipt.

6. BID SUBMISSION CHECKLIST

- ✓ Cover Letter
- ✓ Technical Response
- ✓ Redacted Technical Response, if applicable
- ✓ References
- ✓ Price Schedule
- ✓ Signed Certificate of Compliance
- ✓ Questionnaire

7. ATTACHMENTS

- 7.1. Certificate of Compliance
- 7.2. Applicable VPIC Current Statutes
- 7.3. Price Schedule
- 7.4. Worker Classification Compliance Requirement; Subcontractor Reporting Form

- 7.5. Standard State Contract with its associated attachments, including but not limited to, Attachment C:
Standard State Provisions for Contracts and Grants (February 13, 2026)
- 7.6. Questionnaire

CERTIFICATE OF COMPLIANCE

For a bid to be considered valid, this form must be completed in its entirety, executed by a duly authorized representative of the bidder, and submitted as part of the response to the proposal.

- A. **NON COLLUSION:** Bidder hereby certifies that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, bidder understands that this paragraph might be used as a basis for litigation.
- B. **CONTRACT TERMS:** Bidder hereby acknowledges that is has read, understands and agrees to the terms of this RFP, including Attachment C: Standard State Contract Provisions, and any other contract attachments included with this RFP.
- C. **WORKER CLASSIFICATION COMPLIANCE REQUIREMENT:** In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), the following provisions and requirements apply to Bidder when the amount of its bid exceeds \$250,000.00.

Self-Reporting. Bidder hereby self-reports the following information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification of workers, that occurred in the previous 12 months.

Summary of Detailed Information	Date of Notification	Outcome

Subcontractor Reporting. Bidder hereby acknowledges and agrees that if it is a successful bidder, prior to execution of any contract resulting from this RFP, Bidder will provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), and Bidder will provide any update of such list to the State as additional subcontractors are hired. Bidder further acknowledges and agrees that the failure to submit subcontractor reporting in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54) will constitute non-compliance and may result in cancellation of contract and/or restriction from bidding on future state contracts.

D. Executive Order 05 – 16: Climate Change Considerations in State Procurements Certification

Bidder certifies to the following (Bidder may attach any desired explanation or substantiation. Please also note that Bidder may be asked to provide documentation for any applicable claims):

1. Bidder owns, leases or utilizes, for business purposes, space that has received:
 - ☐ Energy Star® Certification
 - ☐ LEED®, Green Globes®, or Living Buildings ChallengeSM Certification
 - ☐ Other internationally recognized building certification:

2. Bidder has received incentives or rebates from an Energy Efficiency Utility or Energy Efficiency Program in the last five years for energy efficient improvements made at bidder's place of business. Please explain:

3. Please Check all that apply:
 - ☐ Bidder can claim on-site renewable power or anaerobic-digester power ("cow-power"). Or bidder consumes renewable electricity through voluntary purchase or offset, provided no such claimed power can be double-claimed by another party.
 - ☐ Bidder uses renewable biomass or bio-fuel for the purposes of thermal (heat) energy at its place of business.
 - ☐ Bidder's heating system has modern, high-efficiency units (boilers, furnaces, stoves, etc.), having reduced emissions of particulate matter and other air pollutants.
 - ☐ Bidder tracks its energy consumption and harmful greenhouse gas emissions. What tool is used to do this? _____
 - ☐ Bidder promotes the use of plug-in electric vehicles by providing electric vehicle charging, electric fleet vehicles, preferred parking, designated parking, purchase or lease incentives, etc..
 - ☐ Bidder offers employees an option for a fossil fuel divestment retirement account.
 - ☐ Bidder offers products or services that reduce waste, conserve water, or promote energy efficiency and conservation. Please explain:

4. Please list any additional practices that promote clean energy and take action to address climate change:

- E. Certification Regarding Use of Contract Funds for Lobbying.** The following provision is applicable to the Contractor for contracts over \$100,000.00, and Contractor shall include this clause in all its subcontracts over \$100,000.00.

1. The prospective contractor certifies, to the best of his or her knowledge and belief, under the penalties of perjury under the laws of the State of Vermont and the United States that on behalf of the person, firm, association, or corporation he or she represents, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective contractor also agrees that they shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

RFP/PROJECT:

DATE:

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Bidder Name: _____ Contact Name: _____

Address: _____ Fax Number: _____

Telephone: _____

E-Mail: _____

By: _____ Name: _____

Signature of Bidder (or Representative)

(Type or Print)

END OF CERTIFICATE OF COMPLIANCE

PRICE SCHEDULE

- A. **Components:** Given the information provided by VPIC for its trading volume, NAV, etc, please estimate an annualized fee for that Service Category or combination of Service Categories correlated to the space provided for the Bid amount. Note that each Bidder may fill in one, all, or any number of spaces indicated for Bid amounts.

a.

Service	Annual Cost
SERVICE CATEGORY 1: Master Custodian Services	\$
SERVICE CATEGORY 2: Indexing	\$
SERVICE CATEGORY 3: Securities Lending	\$
<i>List Discounts Associated with Selection for Multiple Service Categories</i>	
SERVICE CATEGORY 1: Master Custodian Services	\$
and	
SERVICE CATEGORY 2: Indexing	
SERVICE CATEGORY 1: Master Custodian Services	\$
and	
SERVICE CATEGORY 3: Securities Lending	
All-Inclusive Bid for Service Categories 1-3	\$

If the Bidder's proposed amount(s) above for any Bid including Service Category 1 anticipates that the State shall pay an additional amount for such searches when requested, state that additional amount here:

\$ _____

- b. For Master Custodian Services please provide the following fee breakdown as applicable:

Asset based fee

\$ _____

Fees per transaction

\$ _____

Fees related to Short-term Investment Options

\$ _____

Online Services
\$ _____

Plan Accounting
\$ _____

Line-item accounts/commingled accounts
\$ _____

Wire and Telex charges
\$ _____

Collection of Interest and Dividends
\$ _____

Optional Reports
\$ _____

Additional Client Meetings
\$ _____

VPIC reporting
\$ _____

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

c. For Securities lending please provide the following fee breakdown as applicable:

Collateral Pool fee
\$ _____

Revenue Split
\$ _____

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

d. For Indexing please provide the following fee breakdown as applicable:
Index Fund Fees (bps/investment in fund)

_____ %

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

Other (describe: _____)
\$ _____

- e. Does the fee stated above include all services required to be performed as described in this Request for Proposal? If not, please list any miscellaneous fees not included.
- f. Please describe your billing policy, including frequency.

B. This contract can be extended up to two (2) additional 5-year periods with written mutual agreement between both parties:

Optional 1st 5-Year Extension Increase: Not to Exceed _____%

Optional 2nd 5-Year Extension Increase: Not to Exceed _____%

C. Attach an explanation to the Price Schedule of services and assumptions incorporated into the annual rate component, which vary from, or Bidder believes to be necessary to qualify, the details regarding the Service Categories in Section 2.0, "Detailed Requirements/Desired Outcomes."

Name of Bidder: _____

Signature of Bidder: _____

Date: _____

**WORKER CLASSIFICATION COMPLIANCE REQUIREMENT; SUBCONTRACTOR
REPORTING FORM**

[Link to the Worker Classification Compliance Requirement: Self-Reporting](#)

[Link to the Worker Classification Compliance Requirement: Subcontractor
Reporting Form](#)

STANDARD CONTRACT FOR SERVICES

1. **Parties.** This is a contract for services between the State of Vermont, Vermont Pension Investment Commission (hereinafter called “State” or “VPIC”), and [REDACTED], with a principal place of business in [REDACTED], (hereinafter called “Contractor”). Contractor’s form of business organization is [REDACTED]. It is Contractor’s responsibility to contact the Vermont Department of Taxes to determine if, by law, Contractor is required to have a Vermont Department of Taxes Business Account Number.

2. **Subject Matter.** The subject matter of this contract is services generally on the subject of custodial services. Detailed services to be provided by Contractor are described in Attachment A.

3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$ [REDACTED].00.

4. **Contract Term.** The period of Contractor’s performance shall begin on [REDACTED], 20 [REDACTED] and end on [REDACTED], 20 [REDACTED].

5. **Prior Approvals.** This Contract shall not be binding unless and until all requisite prior approvals have been obtained in accordance with current State law, bulletins, and interpretations.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. **Termination for Convenience.** This contract may be terminated by the State at any time by giving written notice at least thirty (30) days in advance. In such event, Contractor shall be paid under the terms of this contract for all services provided to and accepted by the State prior to the effective date of termination.

8. **Primary Contacts.** The Parties will keep and maintain current at all times a primary point of contact for this Agreement, which are presently as follows:

a. For the Contractor:

Name: [REDACTED]

Phone: [REDACTED]

Email: [REDACTED]

b. For the State:

Name: [REDACTED]

Phone: [REDACTED]

Email: [REDACTED]

9. **Attachments.** This contract consists of [REDACTED] pages including the following attachments which are incorporated herein:

Attachment A - Statement of Work

Attachment B - Payment Provisions

Attachment C – “Standard State Provisions for Contracts and Grants” a preprinted form (revision date 02/13/2026)

Attachment D - Other Provisions

10. **Order of Precedence.** Any ambiguity, conflict or inconsistency between the documents comprising this contract shall be resolved according to the following order of precedence:

- (1) Standard Contract
- (2) Attachment C (Standard Contract Provisions for Contracts and Grants)
- (3) Attachment D
- (4) Attachment A
- (5) Attachment B

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT

By the State of Vermont:

Date: _____

Signature: _____

Name: _____

Title: _____

By the Contractor:

Date: _____

Signature: _____

Name: _____

Title: _____

ATTACHMENT A – STATEMENT OF WORK

The Contractor shall deliver services according to its submitted RFP.

ATTACHMENT B – PAYMENT PROVISIONS

The maximum dollar amount payable under this contract is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually delivered or performed, as specified in Attachment A, up to the maximum allowable amount specified on page 1 of this contract.

1. Prior to commencement of work and release of any payments, Contractor shall submit to the State:
 - a. a certificate of insurance consistent with the requirements set forth in Attachment C, Section 8 (Insurance), and with any additional requirements for insurance as may be set forth elsewhere in this contract; and
 - b. a current IRS Form W-9 (signed within the last twelve months).
2. Payment terms are **Net 30** days from the date the State receives an error-free invoice with all necessary and complete supporting documentation.
3. Contractor shall submit detailed invoices itemizing all work performed during the invoice period, including the dates of service, rates of pay, hours of work performed, and any other information and/or documentation appropriate and sufficient to substantiate the amount invoiced for payment by the State. All invoices must include the Contract # for this contract.
4. Contractor shall submit invoices to the State in accordance with the schedule set forth in this Attachment B. Unless a more particular schedule is provided herein, invoices shall be submitted not more frequently than monthly.
5. Invoices shall be submitted electronically to the State at the following email address: vpic@vermont.gov
6. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, will follow the payment schedule provided in the contractor's submitted RFP.

**ATTACHMENT C: STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS
REVISED FEBRUARY 13, 2026**

“Attachment C: Standard State Provisions for Contracts and Grants” (revision version dated February 13, 2026) constitutes part of this Agreement and is hereby incorporated by reference as if fully set forth herein and shall apply to the Contractor and to the purchase of all goods and/or services by the State under this Agreement. A copy of this document is available online at: <https://bgs.vermont.gov/purchasing-contracting/forms>.

ATTACHMENT D
INFORMATION TECHNOLOGY SYSTEM IMPLEMENTATION
TERMS AND CONDITIONS (rev. 12/09/2025)

1. NO SUBSEQUENT, UNILATERAL MODIFICATION OF TERMS BY CONTRACTOR

Notwithstanding any other provision or other unilateral license terms which may be issued by Contractor during the Term of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of an order for the products and services being purchased by the State, as applicable, the components of which are licensed under the Contractor Documents, or the fact that such other agreement may be affixed to or accompany the products and services being purchased by the State, as applicable, upon delivery, the terms and conditions set forth herein shall supersede and govern licensing and delivery of all products and services hereunder.

2. TERM OF CONTRACTOR'S DOCUMENTS; PAYMENT TERMS

Contractor acknowledges and agrees that, to the extent a Contractor Document provides for alternate term or termination provisions, including automatic renewals, such sections shall be waived and shall have no force and effect. All Contractor Documents shall run concurrently with the term of this Contract; provided, however, to the extent the State has purchased a perpetual license to use the Contractor's software, hardware or other services, such license shall remain in place unless expressly terminated in accordance with the terms of this Contract. Contractor acknowledges and agrees that, to the extent a Contractor Document provides for payment terms which differ from the payment terms set forth in Attachment B, such sections shall be waived and shall have no force and effect and the terms in Attachment B shall govern.

4. SECURITY OF STATE INFORMATION

4.1 Security Standards. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor represents and warrants that it has implemented and it shall maintain during the term of this Contract the highest industry standard administrative, technical, and physical safeguards and controls consistent with the latest version of NIST *Special Publication 800-53* and *Federal Information Processing Standards Publication 200* and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include, but not be limited to, encryption at rest and multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information

security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.

4.2 Security Breach Notice and Reporting. The Contractor shall have policies and procedures in place for the effective management of Security Breaches, as defined below, which shall be made available to the State upon request.

In addition to the requirements set forth in any applicable Business Associate Agreement as may be attached to this Contract, in the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (a “Security Breach”), the Contractor shall notify the State within 24 hours of its discovery. Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached, revoke access and/or correct weaknesses in physical security. Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State. Contractor shall analyze and document the incident and provide all notices required by applicable law.

In accordance with Section 9 V.S.A. §2435(b)(3), the Contractor shall notify the Office of the Attorney General, or, if applicable, Vermont Department of Financial Regulation (“DFR”), within fourteen (14) business days of the Contractor’s discovery of the Security Breach. The notice shall provide a preliminary description of the breach. The foregoing notice requirement shall be included in the subcontracts of any of Contractor’s subcontractors, affiliates or agents which may be “data collectors” hereunder.

The Contractor agrees to fully cooperate with the State and assume responsibility at its own expense for the following, to be determined in the sole discretion of the State: (i) notice to affected consumers if the State determines it to be appropriate under the circumstances of any particular Security Breach, in a form recommended by the AGO; and (ii) investigation and remediation associated with a Security Breach, including but not limited to, outside investigation, forensics, counsel, crisis management and credit monitoring, in the sole determination of the State.

The Contractor agrees to comply with all applicable laws, as such laws may be amended from time to time (including, but not limited to, Chapter 62 of Title 9 of the Vermont Statutes and all applicable State and federal laws, rules or regulations) that require notification in the event of unauthorized release of personally-identifiable information or other event requiring notification.

In addition to any other indemnification obligations in this Contract, the Contractor shall fully indemnify and save harmless the State from any costs, loss or damage to the State resulting from a Security Breach or the unauthorized disclosure of State Data by the Contractor, its officers, agents, employees, and subcontractors.

4.3 Security Policies. To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.

- 4.4 Operations Security.** To the extent the Contractor or its subcontractors, affiliates or agents handles, collects, stores, disseminates or otherwise deals with State Data, the Contractor shall cause an SSAE 18 SOC 2 Type 2 audit report to be conducted annually. The audit results and the Contractor's plan for addressing or resolution of the audit results shall be shared with the State within sixty (60) days of the Contractor's receipt of the audit results. Further, on an annual basis, within 90 days of the end of the Contractor's fiscal year, the Contractor shall transmit its annual audited financial statements to the State.
- 4.5 Redundant Back-Up.** The Contractor shall maintain a fully redundant backup data center geographically separated from its main data center that maintains near realtime replication of data from the main data center. The Contractor's back-up policies shall be made available to the State upon request. The Contractor shall provide the State with not less than thirty (30) days advance written notice of any material amendment or modification of such policies.
- 4.6 Vulnerability Testing.** The Contractor shall run quarterly vulnerability assessments and promptly report results to the State. Contractor shall remediate all critical issues within 15 days, all high issues within 30 days, all medium issues within 60 days and low issues within 90 days. Contractor shall obtain written State approval for any exceptions. Once remediation is complete, Contractor shall re-perform the test.

QUESTIONNAIRE

All bidders must complete the Questionnaire for the Service Categories bid in the proposal. Incomplete questionnaires will be considered potential grounds for rejection from the RFP process.

Questions should be answered in twenty-five (25) pages or less (excluding Service 2 and Service 3). Attachments will not count toward the page limit, but all documentation should be presented as one (1) PDF with attachments bookmarked for ease of assessment. Please note the section header and question number corresponding to each response. Font should be no less than 10-point with standard margins.

All responses are public documents; please do not include confidential information unless noted as such and accompanied by a redacted copy.

1. ORGANIZATION BACKGROUND & FINANCIAL CONTROL

1.1. Firm Profile & Ownership

- **Basic Details & History:** Provide your firm's legal name, primary address, length of existence, contact details for the primary RFP contact, and a brief history of your firm. List all office locations, staff breakdowns (consultants, analysts, operational staff), and identify the primary relationship office proposed for VPIC.
- **Corporate & Fiduciary Structure:** Indicate your firm's fiduciary classification (e.g., bank, RIA, fiduciary affiliate). Describe your corporate structure, parent/subsidiary ties, major owners (% ownership from largest to smallest), and all principals (including credentials). Attach an organizational chart.
- **Structural Changes & Growth:** Detail any changes to ownership, corporate structure, or management over the past 3 years, as well as anticipated changes in the next 12 months. Describe your strategy for managing future growth (staff, assets, clients) without impacting service quality to existing clients.

1.2. Financial Health, Internal Controls & Audit

- **Financial Statements:** Provide audited financial statements for the three most recently closed fiscal years.
- **Internal Controls & Audit Procedures:** Summarize your internal control structure, periodic risk assessment process (providing public reports if available), and internal/external audit procedures (including scope and frequency) for verifying disbursements, asset details, transactions, commission rates, interest received, accrued income, and debt amortization. By whom and how frequently are statements audited prior to delivery?
- **Control Documentation & Insurance:** Attach copies of your firm's ADV (Parts I & II), SSAE 16 / SOC 1 / SOC 2 reports, and independent auditor reports on operational controls. Detail policy limits and carriers for Commercial General Liability (CGL), Professional Liability / Errors & Omissions, SEC 17g-1 Fidelity Bonds, and Fiduciary Liability insurance.

1.3. Services, Revenue & Conflicts

- **Revenue Breakdown:** Complete the following table detailing sources of total firm revenue (including parent/subsidiary entities) for the most recent fiscal year:

Source of Total firm Revenue		Percent of Revenue
Master Custodial Services		
Human Resources, Actuarial and Benefits Consulting		
Investment Management Services		
Investment Consulting Services		
Broker/Dealer Services		
Other (specify):		

- **Conflicts of Interest:** Disclose in detail any potential or actual conflicts of interest created by providing custodial services to VPIC, including activities of parent/affiliated entities or other client relationships.

2. FINANCIAL, LEGAL & REGULATORY DISCLOSURE

2.1. Insolvency & Contract Terminations

- **Insolvency:** Has your firm (or any parent/subsidiary) ever filed for bankruptcy, been petitioned into insolvency, or made an assignment for the benefit of creditors? If yes, provide full details including dates and resolutions.
- **Terminations for Cause:** Has your firm had a client contract terminated for cause within the past 5 years? If yes, detail the client type, date, and underlying circumstances.

2.2. Legal & Regulatory History

Disclose if your firm, its affiliates, or key principals have experienced any of the following within the specified timeframe (excluding routine garnishments or interpleader matters):

- **Litigation:** Pending litigation or litigation within the past 5 years related to institutional defined benefit/contribution plans, or general business/fiduciary litigation within the past 10 years.
- **Regulatory Inquiries:** Non-routine inquiries, investigations, or citations within the past 5 years by the SEC, state/federal regulators, or self-regulatory organizations.
- **Insurance Claims:** Claims submitted to your E&O, fiduciary liability, or fidelity bond carriers related to custodial or fiduciary services within the past 5 years.

2.3. Subcontracting & Professional Standards

- **Subcontractors:** Do you outsource or subcontract any portion of your master custodial or related services? If yes, identify the provider, office location, custodial experience, rationale, and confirm compliance with state subcontractor approval requirements.
- **Referrals & Soft Dollars:** Disclose any arrangements where your firm or staff pays referral/finder fees, soft dollars, or third-party benefits to consultants or brokers. Confirm compliance with CFA Institute Soft Dollar Standards or MiFID II.
- **Code of Ethics:** State whether your firm has adopted the CFA Code of Ethics or an equivalent written code of conduct. Describe monitoring/enforcement procedures and attach a copy.

3. GENERAL FIRM CAPABILITIES, CLIENT BASE & RESPONSIBLE INVESTMENT

3.1. Master Custody Client Base & Statistics

- **Custody Assets Under Management:** Complete the table below for total tax-exempt assets and public fund assets in custody as of December 31 for each year:

As of Date	Total Assets (\$ Millions)	Total # of Accounts	Public Funds total assets (\$ Millions)	Public Funds # of Accounts
12/31/2025				
12/31/2024				
12/31/2023				
12/31/2022				
12/31/2021				

- **Account Distribution (as of 12/31/2025):** Complete the table below listing the number of master custodial clients served by asset size and account category:

Category/Assets	Under \$1 billion	\$1 billion to \$5 billion	\$5 billion to \$10 billion	\$10 billion to \$50 billion	Over \$50 billion
Public Systems					
Union/Taft-Hartley					
Corporate					
Foundation/Endowment					
Other (specify)					

- **Account Metrics & Client Gain/Loss:** Provide the mean and median tax-exempt account size as of December 31, 2025. State the number of tax-exempt and public fund relationships gained and lost over the last 5 years (as of 12/31/2025). List all full-retainer clients added over the past 3 years.

3.2. Responsible Investment (ESG) & Additive Services

- **ESG Integration:** Detail how your firm integrates ESG factors into processes and analysis, including proxy voting for index funds, subscriptions to ESG data providers (list providers, metrics, and application), portfolio-level ESG reporting (attach examples), and UN PRI signatory status/plans. Provide client references for ESG services.
- **Diversity & Inclusion:** Does your firm have a policy requiring the initial candidate list for new principals/management (including third-party search lists) to include qualified women and minority candidates?
- **Additive Services & Research:** Outline recommended additive services or institutional research capabilities (e.g., asset allocation, liquidity management, optimal rebalancing) and the value VPIIC would derive.

4. SERVICE QUESTIONS: MASTER CUSTODIAL SERVICES

4.1. Account Servicing, Team Structure & Staffing

- **Client Servicing Model:** Describe the team structure proposed for VPIC, highlighting direct contacts and primary day-to-day contacts. Provide an organizational chart, functional staff breakdowns, account loads per administrator (client size/complexity), 5-year turnover statistics, turnover management procedures, and backup coverage for primary manager absences.
- **Quality Control & Compensation:** Describe quality control procedures, client satisfaction monitoring, and staff continuing education programs. Outline staff compensation structures (incentive bonuses, profit sharing, equity ownership) without disclosing specific dollar amounts.
- **Resumes & Bios:** Provide full biographies/resumes for assigned consultants, key operational staff, and proposed subcontractor staff.

4.2. Operational Cash Management, STIF & Sweeps

- **Income & Cash Policies:** Detail policies for collecting dividend/interest income, past-due income collection, debiting/crediting accounts for security transactions, processing physical checks, and managing cash flow from purchases/sales. Detail income availability schedules across DTC, U.S. Government/Agencies, MBS, and other asset classes.
- **STIF Vehicles & Sweep Automation:** Describe daily zero-balance sweep capabilities into Short Term Investment Funds (STIF), maximum uninvested cash caps, and automated sweeps for VPIC's 6 sub-plans. Provide details on available STIF vehicles (underlying assets, advisors, 5-year historical yields, management fees), daily accrual calculations, timeline/procedures for reconciling swept cash to manager accounts, and state if any STIF vehicle has ever experienced a loss or priced below \$1.00 NAV.
- **Settlement Protection & Cash Projections:** Detail provisions to keep funds invested during broker delivery delays, late credit interest compensation rates, and daily 5-day forward cash projection capabilities reflecting unsettled trades and payable income.

4.3. Custody, Safekeeping & Global Subcustodian Network

- **Safekeeping, Registration & Clearance:** Describe asset registration procedures, physical safekeeping facilities, handling of non-eligible securities, and procedures for replacing lost or damaged securities. Confirm membership in major depositories (DTC, FED) and describe clearance and delivery capabilities to brokers or third parties.
- **Global Custody Footprint:** State when global custody services began, total global assets, client count, and competitive differentiators. Describe commitment and capabilities across MSCI ACWI ex-US, JPM EMBI Global Diversified, JPM GBI-EM, and Frontier markets (debt and equity).
- **Subcustodian & Global Operations:** List subcustodians (with initiation dates and selection criteria), use of foreign central depositories, foreign settlement/safekeeping procedures, multi-currency accounting, foreign currency translation/timelines (addressing best execution), record retention schedules, domestic/international tax services, and tax reclaim collection controls.

4.4. Alternative Assets, Derivatives & Complex Structures

- **Alternative Assets:** Describe procedures for validating, accounting for, and processing cash movements (capital calls, distributions, valuation updates) for illiquid alternative investments (Real Estate, Private Equity, Private Credit). Confirm compliance with Institutional Limited Partners Association (ILPA) guidelines.
- **Derivatives & Margining:** Detail accounting, margining, valuation, and processing capabilities for exchange-traded and OTC derivatives (equity/debt futures, options on futures, FX forwards, cleared/uncleared swaps).

4.5. Accounting, NAV Calculation & Plan Accounting

- **System Capabilities & Standards:** Confirm a single uniform accounting framework. Confirm adherence to trade-date accounting, full accrual income reporting, Constant Effective Yield debt

amortization, and acting as the book of record. Detail mortgage pass-through principal/interest crediting.

- **Valuation & Reconciliation:** Describe daily asset valuation systems, pricing sources/frequency, stale pricing reviews, monthly manager account reconciliations, and shadow accounting capabilities for assets custodied at outside institutions. Detail NAV reconciliation for public separate accounts and commingled/alternatives, including variance resolution protocols. Provide sample holdings reports flagging deviations.
- **Unitized Sub-Plan Accounting:** Describe participant accounting for VPIC's 6 unitized sub-plans, including daily/monthly NAV and unit value calculations, pricing accuracy controls, pool earnings allocations, and contribution/withdrawal processing (confirming handling of the 2:00 PM ET cutoff).
- **Internal Operational Controls:** Detail internal controls for cash movement instructions, repetitive wire setups, variance/edit checks, process change notifications, error notification timelines, and correction procedures. Confirm commitment to ongoing staff education on system/accounting standard updates (FASB/GASB).

4.6. Reporting, GASB & Technology Systems

- **System Architecture & Demos:** Describe computing hardware/software, proprietary vs. vendor status, system age, batch vs. real-time processing, dedicated vs. shared infrastructure, IT support depth, and system backup/security capabilities. Confirm commitment to provide a live demo, pre-recorded webinar, or sandbox walkthrough demonstrating trading, custody, compliance, and reporting interfaces.
- **Monthly Audited Package:** Confirm delivery of monthly audited reports by 12:00 PM CT on the 10th business day following month-end. Confirm the system produces electronic manager-level and composite-level reports in base and local currency, covering: Cash Statements, Asset Listings (alphabetical and by industry), Accrued Income, Pending Trades, Working Trial Balances, Realized Gain/Loss, Currency Forward Activity, Earnings Receivable, Tax Reclaims, Earned Income, Portfolio NAV Positions (footing to NAV), and annual Auditor Management Letters.
- **Custom Reporting & GASB:** Describe capabilities for custom/ad-hoc reports (Asset Allocation, Rebalancing, Performance), 6/30 FYE and 12/31 CYE GASB schedules (GASB 28, 31, 40, 53, 62, 67, 72), implementation of new GASB standards, and custom asset listings. Provide sample report packages.
- **Online Portal & Corporate Actions:** Describe online portal capabilities (real-time data, report writer, secure file sharing, custom downloads/uploads to third parties). Detail procedures for monitoring/processing corporate actions, class action lawsuit filings, bankruptcy notifications, proxy voting data delivery, and shareholder resolution initiation.

4.7. Disaster Recovery & Business Continuity

- **Architecture & Testing:** Describe BC/DR infrastructure, backup facilities, contractual SLAs for third-party systems, emergency communication plans, testing frequency, annual audit reporting (attach findings/results), and switchover times/dates from the last three tests.
- **System Security & Recovery:** Describe total system failure recovery capabilities, downtime experience over the last 24 months, and procedures/timelines to recreate one full day of transactional activity.

5. PERFORMANCE MEASUREMENT, ANALYTICS & MONITORING

If your firm offers performance measurement, analytics, and monitoring services, please complete this section. If there is an additional fee for service, please detail in the fee section and specify this is an optional fee. VPIC does not use its current master custodian for performance measurement, analytics, or monitoring at this time.

5.1. Performance Methodology & System Integration

- **Calculation Methodology & Reconciliation:** Describe your performance calculation methodology, time-weighted rate of return (TWRR) process, integration with the accounting system, and post-month-end reconciliation workflows/timelines. How are contributions/withdrawals incorporated, and how is compliance with industry standards monitored?
- **Frequency & Roll-Up Mechanics:** Detail capabilities to calculate daily, weekly, monthly, quarterly, annual, annualized (3, 5, 10, 15 years), and Since Inception returns for:
 - Individual sub-plans and asset classes within plans
 - Asset pools / multi-level fund-of-funds
 - Individual investment managers and composites
- **Reporting Formats & Fee Basis:** Describe security-level roll-up mechanics (performance times security weights). Confirm returns can be reported on a total invested, gross of fees, net of manager fees, and net of all fees basis. Detail capabilities for Internal Rates of Return (IRR) for alternative assets, custom account tree structures, historical data retention, and external asset reporting.

5.2. Attribution, Risk Analytics & Servicing

- **Attribution & Risk Tools:** Detail capabilities for Domestic Equity, International/Global Equity, Fixed Income, Plan vs. Policy, and Fund-level attribution, as well as asset allocation and rebalancing reporting. Describe analytical tools offered to measure/manage risk, including holdings-based risk products (*pricing detailed in separate Fee Proposal*).
- **Client Servicing & Performance Team:** Describe the performance servicing model, dedicated performance staff assigned to VPIC (names/experience), ad-hoc query capabilities, automated report maintenance timelines (operational within Q1 post-contract), and report customization flexibility. Provide sample performance and risk reports.

5.3. Benchmarks, Indices & Data Transmission

- **Benchmark Integration:** Describe the process for establishing benchmark targets, evaluating manager style/strategy drift, constructing custom weighted benchmarks, and available peer universe comparisons.
- **Market Indices:** List all licensed market indices available for client distribution. Confirm access to standard benchmarks across domestic equity (Russell 3000, 200, 800, 1000/Growth/Value, 2000/Growth/Value, 2500, S&P 500, S&P Equal Weighted, Nasdaq Dividend Achievers, CRSP Mid/Total, FTSE Global All Cap ex US), international equity (MSCI ACWI Gross/Net, ACWI IMI, Emerging Markets Net, World ex-USA, ACWI ex-USA, China A), fixed income (Bloomberg U.S. Aggregate, Intermediate Gov't, Treasury Series, Corporate, MBS, ICE BofA Cash Pay HY/3-Month T-Bill, JPM EMBI, JPM GBI-EM, Credit Suisse Leveraged Loan), and Consumer Price Index (CPI-U).
- **Historical Data & Data Transmission:** Describe capabilities to ingest, store, and report on historical performance data provided by VPIC (*fees detailed in separate Fee Proposal*). Detail electronic data transmission capabilities (to 5 decimal places) to third-party firms, supported frequencies, transmission turnarounds, and error correction workflows.

6. INVESTMENT COMPLIANCE MONITORING

6.1. Guideline Parameterization & Testing

- **Guideline Translation:** Describe your process for translating VPIC's written investment guidelines into automated compliance testing rules across manager accounts, plan accounts, and shadow accounts.

- **Look-Through & Data Feeds:** Detail capabilities for automated compliance testing on a look-through basis for commingled structures, fund-of-ones, and separate accounts holding mixed assets not custodied at the Master Custodian. Describe required data feeds and indicative security data environments.
- **System & Infrastructure:** Identify the compliance software/system used, reporting cadence, and state if pricing differs between daily and monthly monitoring. Highlight any limitations or gaps in your compliance environment and your plan to address them.

6.2. Rule Maintenance, Escalation & Servicing

- **Breach Detection & Proactive Resolution:** Detail how the system detects policy breaches, notification workflows upon discovery, and proactive resolution processes between custodian and client.
- **Rule Matrix & Restricted Securities:** Describe online access to rule matrices, historical breach reports (exportable to PDF/Excel), and rule update tracking (auditing user and date). Detail procedures for monitoring restricted security lists (e.g., Iran, Sudan, Tobacco).
- **Team Structure:** Describe the team structure and servicing model dedicated to VPIC's compliance account.

7. CUSTODIAN TRANSITION & IMPLEMENTATION PLAN

7.1. Transition Methodology & Timeline

- **Implementation Plan:** Provide a detailed transition project plan outlining key phases, major milestones, and task ownership assuming a contract start date following the June 30, 2027 expiration of the current contract.
- **Resource Allocation & References:** Detail the dedicated transition team, interaction protocols with VPIC, required VPIC/incumbent resources, and communication plans for staff and investment managers. Provide at least one transition reference (contact name, fund name, address, phone, email).
- **Transition Costs:** *All guaranteed transition costs (programming, re-registration, stamp duties, physical transfer taxes) must be explicitly itemized in the separate Fee Proposal.*

7.2. Market Opening, Securities Lending Unwind & Internal Transitions

- **Market Opening Protocols:** Detail procedures and timelines for opening foreign market sub-accounts and tax registrations, including contingency protocols if market opening is delayed past asset transfer.
- **Securities Lending Unwind:** Detail the operational process and timeline for unwinding security lending arrangements with the incumbent custodian and initiating a new program, including estimated lost revenues or float during transition.
- **Internal Manager Transitions:** Describe systems and capabilities for managing future internal asset reallocations or manager transitions (broker-dealer affiliations, internal security crossing networks, temporary management/indexing products).

8. SERVICE 2: INDEXING SERVICES (OPTIONAL)

If your firm offers a suite of index funds and wishes to be considered for index management services in conjunction with Master Custodial Services, please complete this section. (Currently, VPIC utilizes BlackRock for index management).

8.1. Index Product Suite & Mapping

- **Product Offering & Mapping:** Provide complete details on your institutional index fund suite across domestic equity, international equity, fixed income, and inflation indices. Explain how you would map VPIC's existing index exposures to your proprietary fund offerings.
- **Fund Structures & Client Adoption:** Detail available fund structures (CIT, commingled, etc.) and state how many master custodial clients currently utilize your index fund products. Detail operational and fee efficiencies gained by bundling custody and index management.

8.2. Operations, Look-Through & Analytics

- **Commingled Look-Through:** Describe look-through capabilities for commingled index funds. Can underlying holdings data be automatically pushed to third-party tools (e.g., Bloomberg) on an automated basis? Does your online portal support look-through into index fund underlying holdings?
- **Tracking Error History:** Provide 3-year and 5-year historical tracking error data against major benchmark indices (e.g., MSCI ACWI IMI, S&P 500, Bloomberg U.S. Aggregate, S&P 500 Equal Weighted).

8.3. Governance & Fee Structures

- **Proxy Voting:** State whether your index funds offer pass-through proxy voting and attach a copy of your firm's proxy voting policy.
- **Fee Structure:** Detail your indexing fee model (flat basis point schedule vs. zero-fee structures offset by securities lending revenue sharing).

9. SERVICE 3: SECURITIES LENDING (OPTIONAL)

If your firm offers securities lending services, please complete this section.

9.1. Program Overview & Market Footprint

- **Experience & Footprint:** State the year your institution began offering securities lending and describe participation in major domestic and international markets.
- **Program Metrics & Income:** State total participating clients, total dollar value in program, total securities lending pool size, and the percentage of your firm's total custody income derived from securities lending.

9.2. Borrower Management, Collateral & Risk Mitigation

- **Broker Screening & Allocation:** Detail criteria for approving/monitoring lending brokers, provide an approved broker list, detail volume concentration, and describe single-borrower exposure limits. Explain how VPIC-directed broker/security restrictions are enforced and how lending opportunities are allocated across clients.
- **Collateral Terms & Cash Management:** Detail collateralization percentages (minimum 100% of market value plus accrued interest), accepted collateral types, caps, credit quality parameters, daily mark-to-market procedures, and cash collateral investment guidelines. Confirm if clients can select collateral pools, negotiate custom guidelines, and disclose if any collateral pool has ever experienced a loss or priced below \$1.00 NAV.
- **Indemnification & Risk Controls:** Provide a formal proposal for supplying a fully indemnified program (covering borrower default and collateral reinvestment losses). Describe all additional risk mitigation mechanisms. (Note: Selected vendor must provide a legal opinion as to its ability to provide indemnification at closing).

9.3. Revenue Sharing, Recalls & Third-Party Support

- **Revenue Splits & Fee Offsets:** Detail proposed revenue splits, administrative/reinvestment fees, non-standard borrower compensation arrangements, contract modifications made with clients over the past 12 months, and how lending earnings can offset core custodial fees.
- **Recalls, Trade Fails & Proxy Rights:** Describe recall and substitution procedures, trade fail mitigation for illiquid assets, and how VPIC's unconditioned right to recall securities at any time (with zero recourse) is preserved for settlements or proxy voting.
- **Third-Party Support & Reporting:** Describe capabilities to interface with third-party securities lending providers if VPIC unbundles lending. List available lending reports, confirm online portal availability, detail performance measurement metrics, and attach sample reports.

10. USE OF ARTIFICIAL INTELLIGENCE. **Requirement for Bidders to Disclose AI Usage in**

Proposals. Artificial intelligence (AI) can only be used to provide goods and services for the State if prior written approval is obtained from the State. Any use of AI must adhere to the State's Artificial Intelligence Code of Ethics, which can be found at <https://digitalservices.vermont.gov/ai>. This Code of Ethics restricts the use of AI for certain decisions and imposes various limitations. **Therefore, any bidder planning to use AI technologies in their proposal must address the following questions in their response to this solicitation. Additional requirements may be added or information requested based on proposals.**

10.1. **Technologies and Functions:**

- What specific AI technologies will be utilized for this proposal, and what are their intended functions?

10.2. **Decision Capabilities (See [3 V.S.A. § 3305](#)):**

- What specific decisions will the AI system support or make?
- Will the system be used to make any automated final decisions?
- How will AI-generated decisions or outputs be evaluated by humans to ensure accuracy?

10.3. **Human Evaluation and Fail-Safe Mechanisms:**

- What human alternatives and fail-safe mechanisms are in place to ensure service continuity in case of AI failures?

10.4. **Data Inputs and Outputs:**

- What types of data inputs does the system require, and how are these inputs generated and processed?
- What types of data will the system generate during its operation?

10.5. **Data Security and Privacy:**

- Does your proposed use (1) rely on commercially available AI models, or do you (2) develop or customize your own models? If you develop or customize your own models, address the following two items:
 - (1) Please cite any pertinent security risk management frameworks you use as guidance (e.g., NIST-RMF, ISO-27001, ENISA, etc.).
 - (2) Do you conduct third-party audits of your AI systems (including training and deployment environments) to ensure compliance with security standards, and can you provide certifications or reports?

- Will data input or generated during service delivery be shared with any other entity or used for any other purpose, such as training AI models?

10.6. Use-Case Risk Assessment:

- Has a risk assessment for the specific proposed use-case of this model been conducted?
Please indicate one of the following: ☐ Yes, by a 3rd party; ☐ Yes, internally; or ☐ No.
- If a risk assessment for this specific use-case has been conducted, please describe any risks that were identified and your proposed and/or enacted mitigation steps.

10.7. Post-Deployment Auditing/Monitoring:

- Describe the proposed post-deployment audit/monitoring process.