

RESOLUTION NO. 13 - 44

**RESOLUTION OF THE TRUST AUTHORIZING
THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR
CUSTODIAL BANKING SERVICES**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d); and

WHEREAS, there is a need for the Trust to hire a designated public depository to perform custodial banking services.

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby authorizes the Executive Director to competitively procure Custodial Banking Services to Environmental Infrastructure Trust Policy and Procedure number 4.00, "Purchase of Goods and Services;" and

BE IT FURTHER RESOLVED, the Executive Director is further authorized to solicit proposals, convene a Committee to review all proposals received, and to make a recommendation to the Board for the selection of a custodial banking firm to the Trust Board for contract approval for a term not to exceed three years.

Adopted Date: August 8, 2013

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Chebra

Ayes: 6

Nays: 0

Abstentions: 0



Request for Proposals

Custodial Banking Services

Issued by the
New Jersey Environmental Infrastructure Trust

Date Issued:
August [REDACTED], 2013

Questions and Answer Cut-Off Date:
5:00PM EST Friday, August [REDACTED], 2013

Proposals Due Date:
12:00 PM EST [REDACTED], September [REDACTED], 2013

In the Office of the Chief Budget Officer
3131 Princeton Pike, Building 6, Suite 201
Lawrenceville, NJ 08648
(609) 219-8600

Please Label Proposals with Firm's Name and
"Proposal for Custodial Banking Services"

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
REQUEST FOR PROPOSAL
FOR CUSTODIAL BANKING SERVICES**

Background

The New Jersey Environmental Infrastructure Trust (“the Trust”) was organized pursuant to N.J.S.A. 58:11B-1 et seq. in August, 1986, as an instrumentality of the State exercising public and essential government functions. The Trust exists within, but is independent of any supervision or control by, the New Jersey Department of Environmental Protection

The purpose of the Trust is to provide financial assistance to New Jersey borrowers authorized to construct, operate and maintain environmental infrastructure systems. One way in which the Trust fulfills its purpose is by participating with the New Jersey Department of Environmental Protection (State) in the Environmental Infrastructure Financing Program (Program). The Trust contracts to make loans to finance a portion of the costs of environmental infrastructure system projects that borrowers in New Jersey are authorized to undertake and which they may lawfully finance through borrowings. The State provides companion loans for these same projects.

The Trust's enabling legislation requires extensive legislative oversight of the Trust, including fiscal accountability and control over its operating expenses, loan and debt guarantee activities, and borrowing and debt obligations. No funds from State or federal sources or State bond issues will be made available to the Trust unless appropriated by the Legislature.

Pursuant to this Request for Proposal, the Trust shall select a designated public depository to perform custodial banking services. The following paragraphs describe the scope of services for the Trust's designated public depository to perform custodial banking services and information to be provided by interested firms.

Minimum Requirements

****Only FDIC members with assets valued at \$100 billion are eligible to bid on this proposal.****

Scope of Services

1. Open and maintain a safekeeping account (“the Account”) in the name of the New Jersey Environmental Infrastructure Trust (“the Trust”) and hold in the Account all cash and securities initially deposited plus any additional cash and securities that may be received from the Trust or pursuant to the direction of the Trust from time to time for deposit to the Account.
2. Act upon written direction from the Trust or from an investment manager duly appointed in writing by the Trust.

3. Settle securities transactions for the Account with brokers or others in accordance with the written direction of the Trust or its duly appointed investment manager.
4. Be responsible for the collection of all investment income relating to the assets in the Account and provide for the daily investment thereof.
5. Present for payment all maturing securities or any securities called for redemption and collect the proceeds therefrom.
6. Provide for the investment of cash balances in money market mutual funds, through an automated sweep or manual transaction, as authorized and directed by the Trust.
7. Deliver cash or securities as the Trust may direct.
8. Deliver proxy and other materials for securities held in the Account, including offers to tender or exchange such securities, to the Trust.
9. Receive and hold directly, by nominee or through third party depositories for the account of the Trust, securities that are delivered to it for the account of the Trust, making payment therefore, if required, in accordance with the Trust's written instructions or with instructions from its duly appointed investment manager.
10. Provide to the Trust a summary of Account activity and a summary of settled security positions held in safekeeping on a monthly basis.
11. Provide online internet access to the Account to authorized employees of the Trust.
12. Provide "view only" online internet access to the Account to authorized representatives of the Trust's duly appointed investment manager.
13. Be responsible for making requisition payments for the direct loan program participants from the Account.
14. Be responsible for processing the loan repayments for the direct loan program participants twice a year.
15. Be responsible for making interim loan requisition payments for the interim loan program participants from the Account.

Information to be Provided by Bidder

- 1) An Executive summary of not more than three (3) pages identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested services for the Trust. Please address what it is that your firm offers to the Trust that competing firms cannot.
- 2) A description of the firm's experience in management of accounts of the type described in this proposal, for both private and public entities.
- 3) A description of resources of the firm (i.e., background, location, experience, staff resources, financial resources, other resources, etc.).
- 4) Five references, including at least three clients for whom services have been provided for at least three years. Provide the contact names, positions and phone numbers.
- 5) Describe all licenses held and maintained by your firm, its directors, or officers and principals and any of the individuals who will be responsible for providing the services described in this RFP that are required in order to do business in the State or elsewhere.
Please provide a listing of any and all suspensions or expulsions by those regulatory agencies of your firm or any of its personnel since January 1, 2007 with an explanation of the reason for such suspensions or expulsions and the time period for such actions.
- 6) Provide a description of any ongoing investigations or litigation matters involving your firm, its directors, officers and principals and any individuals employed by the firm since January 1, 2007. If your firm has been engaged in any litigation involving a sum of \$100,000 or more or subject to any professional disciplinary action since January 1, 2007, you must provide a description of the litigation or disciplinary action.
- 7) A staffing plan listing those persons who will be assigned to the engagement if your firm is selected and their responsibilities. Identify Information: Provide the name and address of the firm, the name, telephone number, fax number, and e-mail address of individual or individuals responsible for the preparation of this proposal who may be contacted in the event of questions or notification, and the location of the office, if other than that shown above at which the services to be provided hereunder will be performed.
- 8) Provide your proposed fee for the solicited services, state and government discounts, and your methodology for calculation of fees.

CUSTODY FEE SCHEDULE

Custodial Services	Fee on Annual Market Value (in basis points) _____
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- | | |
|--|---|
| *Safekeeping of assets | *Professional, designated relationship team |
| *Transaction settlement | *Proxy management |
| *Cash Management (all cash swept daily) | *Timely and accurate pricing of assets |
| *Online account access, management reporting, and statement delivery | *Collection of income (dividends, interest, matured bonds, settled sales) |
| *Online balance inquiry | *Onsite client meetings as needed |
| *Consolidated accounting and reporting | |

Transaction Processing

- | | |
|--|-------|
| *Standard Book Entry (DTC or Fed) Purchases/Sales, Free Deliveries/Free Receipts | _____ |
| *Standard Physical Security Purchases/Sales Free Deliveries/Free Receipts | _____ |
| *Distributions | |
| Checks/ACH | _____ |
| Wires (domestic) | |

Other Fees

Note: All custody fees will be paid quarterly in arrears

9) Identify whether your firm is a Designated Public Depository (a State or federally chartered bank, savings bank or an association located in this State or a state or federally chartered bank, savings bank or an association located in another state with a branch office in this State, the deposits of which are insured by the Federal Deposit Insurance Corporation and

which receives or holds public funds on deposit);

10) Identify any existing or potential conflicts of interest, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve transactions for the Trust.

- a. A copy of a valid New Jersey Business Registration must be submitted by the selected firm. If not already registered with the New Jersey Division of Revenue, registration can be completed online at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/index.html>.
- b. Pursuant to L. 2005, c. 51 ("Chapter 51") State departments, agencies and authorities are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of State contractors is based on the contractors' political contributions. Chapter 51 also requires the disclosure of all contributions to any political organization organized under 26 U.S.C. 527 that also meet the definition of a continuing political committee within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The firm shall submit the required certification form(s) and disclosure form(s) which are attached with its proposals. Failure to submit such forms and/or failure of such forms to evidence compliance with Chapter 51 shall be cause for rejection of the firm's proposal. Any firm selected as Custodial Bank shall maintain compliance with Chapter 51, during the term of its engagement as Custodial Bank.
- c. Pursuant to L. 2005, c. 271 ("Chapter 271"), amended by L. 2007, c. 304 your firm is required to disclose its (and its principals') political contributions within the immediately preceding twelve (12) month period. No prospective firm will be precluded from serving as Custodial Bank by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to formal appointment, the firm anticipated to be selected as Custodial Bank for the aforementioned term will be required to submit Chapter 271 disclosures.

Please also be advised of your responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A. 19:44A-20.27 (L. 2005, c. 271, section 3, amended by L. 2007, c. 304, section 2) if your firm receives contracts in excess of \$50,000 from a public entity during a calendar year. It is your firm's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financing penalties by ELEC. Additional information about this requirement is available from ELEC at (888) 313-3532 or www.elec.state.nj.us.

- d. In accordance with L. 2005, c. 92, all services performed pursuant to this engagement shall be performed within the United States of America.

- e. Note: Your attention is drawn to Executive Order No. 117 issued by Governor Corzine on September 24, 2008 which applies to certain political contributions made after November 15, 2008. Please review and be guided accordingly.

11) The Trust will accept questions pertaining to this RFP from all potential bidders electronically. Questions shall be directed to John Hansbury, Chief Budget Officer, at the following e-mail address:

JHANSBURY@NJEIT.ORG

Please note that the “subject” line of your e-mail must specifically reference this RFP as follows: “RFP for New Jersey Environmental Infrastructure Trust Custodial Bank.”

Questions will be accepted until 5:00pm EST on , August , 2013.

12) In the event the Trust determines that additional clarification to this RFP or additional information is necessary, the Trust reserves the right to hold a conference call with eligible firms for the purpose of providing the same.

Evaluation Procedure and Criteria

All proposals will be reviewed to determine responsiveness. An Evaluation Committee will evaluate responsive proposals. The Evaluation Committee will have a minimum of three members and may include a representative of the Trust. The following evaluation criteria categories and the associated weights will be used to evaluate proposals in response to this RFP.

- The Firm’s proposed services (2)
- Qualifications and experience of the firm (3)
- Knowledge and experience of the assigned team or staff (4)
- Fee proposal (8)
- Quality of prior service to the Trust (3)
- The firm’s presence in New Jersey (1)

Please be advised that cost will not be the sole determining factor.

Appointment of the Designated Public Depository performing custodial banking services by the Trust is contingent upon the execution of an Agreement for Services.

Submission Requirements

Four copies of your response should be sent to John G. Hansbury, Jr., Chief Budget Officer, New Jersey Environmental Infrastructure Trust. Mailing Address: 3131 Princeton Pike, Building #6-Suite 201, Lawrenceville, New Jersey 08648. All proposals must be received by **12:00 Noon, August [REDACTED], 2013**. Proposals received after this date and time will not receive further consideration. If it is necessary to interview one or more firms, the interview will take place on during the week of August [REDACTED], 2013. You will be notified if your firm needs to appear.

The Trust reserves the right; 1) to reject any and all proposals or 2) to waive any informalities or irregularities therein. The award will be made to the firm whose appointment as Designated Public Depository performing custodial banking services is deemed to be in the best interest of the Trust and the State.

Dated: August [REDACTED], 2013