



Stacy Garrity, Pennsylvania Treasurer

REQUEST FOR INFORMATION FOR

Third-Party Administrator

ISSUING OFFICE

**Pennsylvania Treasury Department
Bureau of Support Services
Procurement Division
Room 3T-A, Finance Building
Harrisburg, PA 17120-0018**

RFI 23-003

DATE OF ISSUANCE

Tuesday, October 31, 2023

CALENDAR OF EVENTS

The Pennsylvania Treasury Department will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
RFI 23-003 issued and posted to Treasury’s website at www.patreasury.gov	Issuing Office	Tuesday, October 31, 2023
Deadline to submit Questions via email to: RFI23-003@patreasury.gov	Vendors	Monday, November 13, 2023, by 5 p.m.
Answers to Potential Vendor questions will be reviewed by the Issuing Office and posted to Treasury’s website at www.patreasury.gov .	Issuing Office	Monday, November 20, 2023, by 5 p.m.
Submissions must be received by the Issuing Office electronically to RFI23-003@patreasury.gov . The Vendors should be clearly identifiable in each email.	Vendors	Monday, December 4, 2023, by 5 p.m.

Please be advised that submission deadlines that include times refer to EST. Treasury’s standard business hours are 8:30am – 5:00pm. All responses to this RFI must be received by the Issuing Office via email at RFI23-003@patreasury.gov, on or before Monday, December 4, 2023 by 5:00pm. No submissions will be accepted after the due date and time.

Introduction

Created by the Pennsylvania Treasury, the INVEST Program (INVEST) is a family of highly rated investment pools designed specifically for local government and nonprofit groups. INVEST is similar in concept to money market funds, offering two highly liquid, rated pools with short-term maturity as well as periodic custom investment opportunities for longer-term investment needs.

The INVEST is managed by the Pennsylvania Treasury's investment staff, which also oversees the investment and custody of more than \$100 billion in public funds.

In addition to daily monitoring by Treasury, INVEST is monitored by, and has earned the highest rating from, Standard & Poor's. The INVEST Daily Pool and INVEST Community Pool are both rated AAAM.

As of September 30, 2023

	# OF ACCOUNTS	# OF PARTICIPANTS	AUM
Daily Pool	967	261	\$ 1,236,811,545.59
Community Pool	321	169	\$ 76,056,472.68
Grand Total	1,288	430	\$ 1,312,868,018.27

Purpose

Services Requested

The Pennsylvania Treasury Department is seeking a Third-Party Administrator (Administrator) to provide back-office, administrative support for INVEST. The services are primarily shareholder accounting and recognition/initiation of cash transactions via an on-line, secure platform for Local Government and non-profit groups.

The purpose of this RFI is to identify a potential vendor to perform the services requested and to pursue a formal procurement and contract with an identified vendor.

Requirements

I. Requirements for each Pool

The following services for each Pool, at a minimum, are required:

- Participant client servicing
- Participant on-boarding
- Customer service for participant inquiries
- Training and continuing education about the website
- Robust security for participant accounts and user information
- Account verification/validation for new and updated Participant bank account information
- Participant transaction processing for deposits and withdrawals
- Reconciliation of bank accounts
- Record keeping
- Net Asset Value calculations
- Daily income accrual and monthly income distribution
- Daily calculation of net pool activity
- Monthly statements
- Participant audit confirmation response
- Annual confirmation of 501.c status
- Secure online website/platform for participant access

The Administrator must have the ability to provide participants with secure, online reporting and transaction capabilities. The selected online platform must be accessible via the PA TREASURY Web Site. The system must provide a convenient online experience.

II. Requirements for Selection

- A. Administrator and all partner firms will certify in writing that no relationship exists that interferes with fair competition or is a conflict of interest, and no relationship exists between the bidding organizations, a competing product or program, and another person or organization that constitutes a conflict of interest with respect to INVEST.
- B. Administrator, to the best of its knowledge and belief, within the last five (5) years has not:
 - i. been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - ii. been suspended, debarred, or otherwise disqualified from entering into any contract with any governmental agency;
 - iii. had any business license or professional license suspended or revoked;
 - iv. had any sanction or finding of fact imposed because of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation, or anti-trust; and
 - v. been, and is not currently, the suspect of a criminal investigation by any federal, state, or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state, or local prosecuting or investigative agency.

If any of the preceding statements are not accurate, provide a detailed explanation of the event.

C. Insurance Requirements:

Professional Liability	\$100 million (per occurrence & aggregate)
Commercial General Liability	\$1 million per occurrence, \$2 million aggregate \$10,000 Medical; \$1 million Personal Injury
Automobile Liability	\$1 million Combined Single Limit
Umbrella Coverage	\$4 million
Workers' Compensation & Employer's Liability	\$1 million
Errors & Omissions	\$25 million
Excess Professional Coverage	\$10 million
Professional Liability (NYCLASS Governing Board named as Additional Insured)	\$2 million
EPLI Coverage	\$1 million
Fiduciary Liability	\$1 million
Directors & Officers Liability	\$10 million
Crime	\$1 million
Cyber Coverage	\$10 million

*Coverages may be reviewed as part of developing the contract with the successful firm.

SUBMISSIONS

I. COMPANY

1. Describe the organization, including date founded, firm ownership, subsidiaries (if applicable) and principal management.
2. Describe any significant changes in the firm's organizational structure/management during the past three years?
3. Does the firm outsource any component of services described in this offering? Provide a description of the sub-contractor, including the number of staff, physical location, and other details explaining the services provided.
4. Describe any regulatory SEC regulatory investigations or enforcement actions the firm has encountered within the past ten years.
5. Has the firm, affiliates, and parent/holding companies been party to any legal proceedings or lawsuits related to the role of Third-Party Administrator? List and explain as necessary.
6. Describe the primary business focuses of the firm, what type of business sector comprises most of the client base.
7. Describe the Administrator's experience providing Third-Party client servicing for the participants in Local Government Investment Pools (LGIPs). Provide a detailed listing of current LGIP Programs, including the amount of assets under management.

8. Provide a ten-year history of servicing LGIP's. Has the firm ever resigned as a Third-Party Administrator for a LGIP? List and explain as necessary.
9. Does the firm provide investment management services? If yes, provide a brief description of how those services are structured within the firm, as well as the sectors serviced.
10. Has the firm replaced the previous servicer of a state led LGIP? Provide a brief description of the transition(s), including number of accounts and assets under management, as well as any significant "lessons learned."
11. Please provide three (3) references for state sponsored LGIP programs, including name, primary contact(s), address, phone numbers, email addresses, services provided, and total assets under management.

II. PERSONNEL

1. Provide a complete organizational chart, including senior management, as well as a detailed chart of the Third-Party Administration services division(s).
2. Identify the individuals who will serve as the primary contacts for fund administration, information technology, and operations/accounting. Provide detailed biographies for these individuals including their relationship with the firm and their experience managing LGIPs.
3. Identify any other key personnel who would be directly involved under this contract.
4. Provide the position and reason(s) for any turnover of key personnel within the past three (3) years.
5. Provide the details of the customer service provided by the firm, including if it is outsourced, the number of employees, the location of operations. Is there a service level agreement (SLA) for the minimum service requirements?

III. THIRD-PARTY ADMINISTRATION

1. Describe a participant account, is it a unique bank account or series of ledger accounts?
2. Each INVEST participant must be allowed to create at least one master account and an unlimited number of subaccounts.
3. Describe in detail the participants' options to enter transactions.
4. INVEST participants have a 2:00 PM EST deadline for same day deposit and redemption requests. Describe in detail how same day credits and redemptions are recognized for daily investment totals, when the investment totals will be available after the deadline, and how missing credits are addressed.

5. Provide a list of deposit options (i.e., wire, ACH, etc.) and the timeframes associated with recognition of funds availability.
6. Provide a list of withdrawal options (i.e., wire, ACH, etc.) and the timeframes associated with processing and releasing the outgoing funds.
7. Describe the safeguards to prevent an overdraft during a participant withdrawal request. Include any warning notification language.
8. The Administrator must provide a toll-free telephone number for customer service.
9. The Administrator shall maintain a website for the Participant to enter transaction requests, generate reports, and contact customer service. In addition, the website will provide access to information about historical rates, advisory notices such as holiday or early fund closings, INVEST net rates, monthly portfolio holdings, quarterly and annual reports, and all necessary INVEST forms.
10. Describe the ability for Treasury to include branding and other design features of the website?
11. Describe the on-boarding process for a participant and the authorized representative(s).
12. Describe the security associated with user-id assignment and activation, the use of any multi-factor authentication, failed password attempts, required password reset timeframes, user-id deactivation, etc.
13. Describe the training for participant users of the platform. Include a sample of the materials available, reference sheets, FAQ's, etc.
14. Describe how Participant interest earnings shall be calculated and accrued daily and paid monthly, include the reconciliation process and daily timeline for income file receipt.
15. Describe the interest reinvestment and the interest payout processes that will be conducted. Provide a sample of any notification provided to the participant.
16. The Administrator must provide audit confirmation services for requests by the participants external auditors.
17. **Annual Audit**
 - a. The Administrator shall be responsible for having an annual fiscal year audit performed on the INVEST financial statements by a nationally recognized independent auditor. The auditor and the scope of services must be approved by Treasury. The final annual audit report shall be provided to Treasury and made available to all INVEST participants via the website. Provide a list of independent auditors utilized for LGIP's in the last three years.
 - b. An annual SOC 1 report is required. The intent of this report is to prove that the

Administrator has the proper controls defined and in use, as reviewed and determined by a third party, that controls the integrity of financial reporting and the data used for it.

c. The Administrator shall operate all services for INVEST in accordance with all applicable federal and state laws and regulations and shall maintain the books and records of INVEST in accordance with the requirements and guidance of the Internal Revenue Code, the Government Accounting Standards Board, and the American Institute of Certified Public Accountants.

IV. Reports and Data

The listing below is current reports and the information provided. Include samples version for review and note the availability timeframes, media, file format, etc1

- a. In addition to standard reports, describe the ability to extract data from the platform. Include a listing of pre-defined data sets.
- b. Provide examples of available reports and common data searches currently utilized by current LGIP clients that are not detailed below, note the availability timeframes, media, file format, and intended audience.

Participant Reports/Data Extract

Daily Participant Transactions

INVEST account holders for whom transactions were executed. These reports should identify at a minimum the transaction type, sub-account name, account title and number, the transaction amount, and the opening and closing balances in the subaccount.

Monthly Participant Statements

Required elements include the daily transactions, the daily balances, the daily interest rates, all fees incurred, interest credited, and final balances by subaccount.

Treasury Reports/Data

Monthly Treasury Pool Reports

These reports must at a minimum detail, the total net activity for the month, the total fund balance, an updated list of participants, administrative fees charged, and gross income earnings.

Unclaimed Property Monitoring Report

This report will be utilized to identify any participant accounts that appear to have become dormant. The report will include the last date of a participant transaction, authorized user access, and other elements that may be available to determine the account is actively monitored by the participant and not become reportable unclaimed property.

Ad-Hoc

Treasury may request the report ad-hoc reports to use for marketing purposes or various internal needs.

Treasury Investment Committee

The Treasurer holds a quarterly Investment Committee (the "Committee") meeting to review the investment performance of the INVEST Pools, monitor the account relationships, and review the marketing and product development activities of INVEST. The Administrator selected to provide INVEST administration services under this solicitation should anticipate providing reports to the Committee that may include information about the number of participant accounts, change in balances, participant breakdown by entity, historical comparisons, etc.

INVEST Annual Report

Prepared jointly with Treasury for distribution to all INVEST participants, the Annual report includes information about the INVEST Program, its participants and activities, administrative information, audited financial statements and credit rating.

The report shall be posted on the Administrator's maintained website. The printing quality of the Annual Report must meet or exceed the current standards of the INVEST Annual Report.

V. WEBSITE & PLATFORM

1. Describe the system(s) architecture utilized to provide the required services including the customer interface.
2. Provide system metrics related to load capacity, processing timeframes, refresh rates, etc.
3. How long have the current versions been in place?
4. What is the timeframe for the next application and security update?
5. Provide an overview of any integration vehicles.
6. Are Application Programming Interfaces (APIs) offered? Describe how they are utilized.
7. Are there currently any plans for replacement or significant changes to the existing platforms or systems intended to be utilized for the services required in this RFI?
8. Does the firm adhere to a specific framework for data security such as NIST or ISO27001?
9. Describe the security model and client security around authorized access, role-level security, password attempt limits, no-use/dormant user-id monitoring, mandatory password reset timeframes, and any other security framework at the system user level.

VI. TRANSITION PLAN

1. Describe in detail a transition plan for the ### participants and #### subaccounts from the current Contractor if selected. Provide a comprehensive plan that includes a detailed timeline with a recommended timeframe to go-live.
2. Describe the style or platform utilized for Change Management.
3. Describe the training plan for current participants. Provide samples of all training materials.
4. Include prior experience and "lessons learned" during a previous migration of an existing program to support any recommendations in the transition plan. Possible topics include operating parallel systems for a set period, how early to notify participants, how to address historical data, what is a reasonable transition timeframe for the size of the INVEST, and any recommended pre-transition data management of client accounts.

VII. OTHER SERVICES FOR CONSIDERATION

The primary objective of this RFI is to secure a Third-Party Administrator for shareholder accounting and client servicing. Due to the various product offerings and capabilities of the respondents, other products or services can be included in the response.

1. Describe any other services that a potential Administrator believes could provide additional benefits to the INVEST participants and/or PA Treasury.

These products can be additional services to supplement the required elements as well as optional products that can be selected at a participant level. Possible items include program marketing, investment management, check-writing/payables services, and consultation services for Standard & Poor's Ratings.

2. Describe the additional services in detail but all costs must be submitted within the Compensation component of this offering.

VIII. COMPENSATION

1. Provide a clearly labeled fee schedule that would be in place for five years, broken down by year, for the Required Services defined in RFI.
2. The pricing for additional and optional services must be listed separately and indicate which entity, Treasury or Participant, would be responsible for payment.

Appendices: Attachments

Appendix A – Invest Program Annual Report 2022

Appendix B – S&P Global Ratings: Pennsylvania Invest Daily

Appendix C – S&P Global Ratings: Pennsylvania Invest Community Pool

Appendix D – Investment Policy Statement